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STATE OF MINNESOTA

SEVENTY-THIRD SESSION - 1983

THIRTY-SIXTH DAY

SAINT PAUL, MINNESOTA, MONDAY, APRIL 18, 1983

The House of Representatives convened at 2:00 p.m. and was called to order by Harry A. Sieben, Jr., Speaker of the House.

Prayer was offered by Father Vincent J. Santo, St. Anthony of Padera, Sauk Centre, Minnesota.

The roll was called and the following members were present:

Anderson, B.	Ellingson	Kostohryz	Otis	Skoglund
Anderson, G.	Erickson	Krueger	Pauly	Solberg
Anderson, R.	Evans	Kvam	Peterson	Sparby
Battaglia	Findlay	Larsen	Picpho	Stadum
Beard	Fjoslien	Levi	Piper	Staten
Begich	Forsythe	Long	Price	Sviggum
Bennett	Frerichs	Ludeman	Quinn	Swanson
Bergstrom	Graba	Mann	Quist	Thiede
Berkelman	Greenfield	Marsh	Redalen	Tomlinson
Bishop	Gruenes	McDonald	Reif	Tunheim
Blatz	Gustafson	McEachern	Rice	Uphus
Brandl	Halberg	McKasy	Riveness	Valan
Brinkman	Haukoos	Metzen	Rodriguez, C.	Valento
Burger	Heap	Minne	Rodriguez, F.	Vanasek
Carlson, D.	Heinitz	Munger	Rose	Vellenga
Carlson, L.	Himle	Murphy	St. Onge	Voss
Clark, J.	Hoberg	Nelson, D.	Sarna	Waltman
Clark, K.	Hoffman	Nelson, K.	Scheid	Welch
Clawson	Hokr	Neuenschwander	Schoenfeld	Welker
Cohen	Jacobs	Norton	Schreiber	Welle
Coleman	Jennings	O'Connor	Seaberg	Wenzel
Dempsey	Jensen	Ogren	Segal	Wigley
DenOuden	Johnson	Olsen	Shaver	Wynia
Dimler	Kalis	Omann	Shea	Zaffke
Eken	Knickerbocker	Onnen	Sherman	Speaker Sieben
Elioff	Knuth	Osthoff	Simoneau	

A quorum was present.

Gutknecht, Kahn, Kelly, Rodosovich and Schafer were excused.

The Chief Clerk proceeded to read the Journal of the preceding day. Kvam 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. 315, 429, 737, 744, 774, 855, 886, 898, 960, 1011, 1058, 1105, 1171, 1172, 435, 495, 547, 622, 735, 795, 813, 814, 874, 899, 938, 1092, 45, 532, 584, 605, 745, 782, 802, 894, 918, 959, 1122, 1020, 1029, 1046 and 1124 and S. F. Nos. 7, 148, 280, 282, 332, 338, 339, 358, 598, 621, 627, 639, 645, 673, 699, 723, 92, 204, 234, 238, 263, 402, 416, 147, 659, 767, 827, 833, 855, 936, 346, 591, 684, 403, 746, 844, 1104, 551, 948, 1083, 597, 653, 681, 603, 705, 972, 611, 34, 175, 529, 606, 734, 784, 891, 967, 1009 and 161 have been placed in the members' files.

S. F. No. 827 and H. F. No. 793, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Schreiber moved that the rules be so far suspended that S. F. No. 827 be substituted for H. F. No. 793 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 833 and H. F. No. 907, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Reif moved that S. F. No. 833 be substituted for H. F. No. 907 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 936 and H. F. No. 911, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Sarna moved that the rules be so far suspended that S. F. No. 936 be substituted for H. F. No. 911 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 639 and H. F. No. 1154, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Piper moved that the rules be so far suspended that S. F. No. 639 be substituted for H. F. No. 1154 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 238 and H. F. No. 733, 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. 238 be substituted for H. F. No. 733 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 280 and H. F. No. 332, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Quinn moved that the rules be so far suspended that S. F. No. 280 be substituted for H. F. No. 332 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 705 and H. F. No. 835, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Wigley moved that S. F. No. 705 be substituted for H. F. No. 835 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 948 and H. F. No. 1161, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Nelson, D., moved that the rules be so far suspended that S. F. No. 948 be substituted for H. F. No. 1161 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 855 and H. F. No. 960, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Neuenschwander moved that S. F. No. 855 be substituted for H. F. No. 960 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1009 and H. F. No. 1020, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Dempsey moved that the rules be so far suspended that S. F. No. 1009 be substituted for H. F. No. 1020 and that the House File be indefinitely postponed. The motion prevailed.

REPORTS OF STANDING COMMITTEES

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

H. F. No. 356, A bill for an act relating to insurance; health and accident; providing reimbursement for the services of certain licensed and certified registered nurses on an equal basis with other licensed health professional services; amending Minnesota Statutes 1982, sections 62A.03, subdivision 1; and 62A.15.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1982, section 62A.03, subdivision 1, is amended to read:

Subdivision 1. [CONDITIONS.] No policy of individual accident and sickness insurance (SHALL) *may* be delivered or issued for delivery to (ANY) a person in this state unless (THE FOLLOWING CONDITIONS ARE MET):

(1) [PREMIUM.] The entire money and other considerations therefor are expressed therein.

(2) [TIME EFFECTIVE.] The time at which the insurance takes effect and terminates is expressed therein.

(3) [ONE PERSON.] It purports to insure only one person, except that a policy may insure, originally or by subsequent amendment, upon the application of an adult member of a family (WHO SHALL BE) deemed the policyholder, any two or more eligible members of that family, including:

(a) husband,

(b) wife,

(c) dependent children,

(d) any children under a specified age (WHICH SHALL NOT EXCEED) of 19 years or less, or

(e) any other person dependent upon the policyholder.

(4) [APPEARANCE.] The style, arrangement, and overall appearance of the policy give no undue prominence to any portion of the text (,) and (UNLESS) every printed portion of the text of the policy and of any endorsements or attached papers is plainly printed in light-face type of a style in general use (,). The type size (OF WHICH SHALL) *must* be uniform and not less than ten point with a lower case unspaced alphabet length not less than 120 point (,). The "text" (SHALL INCLUDE) *includes* all printed matter except the name and address of the insurer, name or title of the policy, the brief description, if any, the reference to renewal or cancellation by a separate statement, if any, *and* the captions and subcaptions (,).

(5) [DESCRIPTION OF POLICY.] The policy, on the first page, (SHALL INDICATE) *indicates* or (REFER) *refers* to its provisions for renewal or cancellation either in the brief description, if any, or by a separate statement printed in type not smaller than the type used for captions (,) or (BY) a separate provision bearing a caption which accurately describes the renewability or cancellability of the policy.

(6) [EXCEPTIONS IN POLICY.] The exceptions and reductions of indemnity are set forth in the policy and, except those which are set forth in section 62A.04, (ARE) printed, at the insurer's option, either (INCLUDED) with the benefit provision to which they apply, or under an appropriate caption such as "EXCEPTIONS (,)" or "EXCEPTIONS AND REDUCTIONS (,)" (PROVIDED THAT). *However*, if an exception or reduction specifically applies only to a particular benefit of the policy, a statement of (SUCH) *the* exception or reduction (SHALL) *must* be included with the benefit provision to which it applies.

(7) [FORM NUMBER.] Each (SUCH) form, including riders and endorsements, (SHALL BE) *is* identified by a form number in the lower left hand corner of the first page thereof.

(8) [NO INCORPORATION BY REFERENCE.] It contains no provision purporting to make any portion of the charter, rules, constitution, or bylaws of the insurer a part of the policy unless (SUCH) *the* portion is set forth in full in the policy, except in the case of the incorporation of, or reference to, a statement of rates (OR), classification of risks, or short rate table filed with the commissioner.

(9) [MEDICAL BENEFITS.] If the policy contains a provision for medical expense benefits, the term "medical benefits" or similar terms as used therein (SHALL INCLUDE) *includes* treatments by all licensed practitioners of the healing arts unless, subject to the qualifications contained in clause (10), the

policy specifically states the practitioners whose services are covered.

(10) [OSTEOPATH, OPTOMETRIST (OR), CHIROPRACTOR, OR REGISTERED NURSE SERVICES.] With respect to any policy of individual accident and sickness insurance issued or entered into subsequent to August 1, 1974, notwithstanding the provisions of (ANY SUCH) the policy, (WHEREVER THEREIN THERE IS) *if it contains* a provision providing for reimbursement for any service which is in the lawful scope of practice of a duly licensed osteopath, optometrist (OR), chiropractor, or registered nurse meeting the requirements of section 62A.15, subdivision 3a, the person entitled to benefits or person performing services under (SUCH) the policy (SHALL BE) is entitled to reimbursement on an equal basis for (SUCH) the service, whether the (SAID) service is performed by a physician, osteopath, optometrist (OR), chiropractor, or registered nurse meeting the requirements of section 62A.15, subdivision 3a, (DULY) licensed under the laws of this state.

Sec. 2. Minnesota Statutes 1982, section 62A.15, is amended to read:

62A.15 [(CHIROPRACTIC) LICENSED HEALTH PROFESSIONAL SERVICES IN ACCIDENT AND HEALTH AND NONPROFIT HEALTH SERVICE POLICIES.]

Subdivision 1. [APPLICABILITY.] The provisions of this section (SHALL) apply to all group policies or subscriber contracts providing payment for care in this state, which are issued or renewed after August 1, 1973 for chiropractor services, (AND) after August 1, 1976, for optometric services, and which are issued or renewed after the effective date of this section for services of a registered nurse meeting the requirements of subdivision 3a, by accident and health insurance companies regulated under this chapter (,) and nonprofit health service plan corporations regulated under chapter 62C.

Subd. 2. [CHIROPRACTIC SERVICES.] All benefits provided by any policy or contract referred to in subdivision 1, relating to expenses incurred for medical treatment or services of a physician (SHALL) *must* also include chiropractic treatment and services of a chiropractor to the extent that the chiropractic services and treatment are within the scope of chiropractic licensure.

Subd. 3. [OPTOMETRIC SERVICES.] All benefits provided by any policy or contract referred to in subdivision 1, relating to expenses incurred for medical treatment or services of a physician (SHALL) *must* also include optometric treatment and services of an optometrist to the extent that the optometric services and treatment are within the scope of optometric licensure.

This subdivision is intended to provide equal payment of benefits for optometric treatment and services and is not intended to change or add to the benefits provided for in (SUCH) those policies or contracts.

Subd. 3a. [NURSING SERVICES.] All benefits provided by a policy or contract referred to in subdivision 1, relating to expenses incurred for medical treatment or services of a duly licensed physician must include services provided by a registered nurse who is licensed pursuant to section 148.171 and who is certified by the profession to engage in advanced nursing practice. "Advanced nursing practice" means the performance of health services by professional nurses who have gained additional knowledge and skills through an organized program of study and clinical experience preparing nurses for advanced practice roles as nurse anesthetists or nurse midwives. The program of study must be beyond the education required for registered nurse licensure and must meet criteria established by the professional nursing organization having authority to certify the registered nurse in advanced nursing practice, and appear on a list established and maintained by the board of nursing through rulemaking.

This subdivision is intended to provide payment of benefits for treatment and services by a licensed registered nurse certified in advanced nursing practice as defined in this subdivision and is not intended to add to the benefits provided for in these policies or contracts.

Subd. 4. [DENIAL OF BENEFITS.] No carrier referred to in subdivision 1 (SHALL) *may*, in the payment of claims to employees in this state, deny benefits payable for services covered by the policy or contract if the services are lawfully performed by a (DULY) licensed chiropractor, licensed optometrist, or a registered nurse meeting the requirements of subdivision 3a."

With the recommendation that when so amended the bill pass.

The report was adopted.

Rice from the Committee on Appropriations to which was referred:

H. F. No. 455, A bill for an act relating to the operation of state government; creating the department of business and commerce; providing for appointment of a commissioner of business and commerce; prescribing his powers and duties; transferring certain powers and duties from the commissioners of administration, banks, energy, planning and development, insurance, securities and real estate, and the director of the office of consumer services, to the commissioner of business and commerce; transferring certain powers and duties from the chairman of the com-

merce commission to the commissioner of business and commerce; transferring certain powers and duties from the director of the office of consumer services to the commissioners of business and commerce and health and the attorney general; eliminating certain positions and divisions in the department of commerce; amending Minnesota Statutes 1982, sections 15.06, subdivision 1; 15A.081, subdivision 1; 43A.08, subdivision 1a; 45.034; 45.04; 45.05; 45.06; 45.07; 45.071, subdivision 2; 45.08, subdivision 3, and by adding a subdivision; 45.17, subdivisions 1, 2, 3, 4, 5, 6, 7, and by adding a subdivision; 116J.03, subdivision 1; 116J.31; 144A.53, subdivision 4; 155A.03, by adding a subdivision; 155A.05; 155A.18; 214.04, subdivision 1; 214.14, subdivision 1; 325E.09, subdivision 4a; 325F.09; 325F.11, proposing new law coded in Minnesota Statutes, chapters 45; and 116J.57; repealing Minnesota Statutes 1982, sections 45.01; 45.02; 45.021; 45.03; 45.031; 45.032; 45.033; 45.15; 45.16; 155A.03, subdivision 10; and 155A.17.

Reported the same back with the following amendments:

Page 1, line 36, delete "*business and*"

Page 2, line 1 delete "*business and*"

Page 2, line 2, delete "*business and*"

Page 2, line 7, before "*The*" insert "*Notwithstanding any law to the contrary,*"

Page 2, line 7, delete "*business and*"

Page 2, line 7, delete "*four*" and insert "*five*"

Page 2, line 8, delete "*executive*" and insert "*deputy*"

Page 2, line 8, delete "*five*" and insert "*four*"

Page 2, line 17, delete "*business and*"

Page 2, line 24, delete "*business and*"

Page 2, line 33, delete "*business and*"

Page 3, line 2, delete "*business and*"

Page 3, delete lines 4 to 11

Page 3, line 13, delete "*business and*"

Page 3, line 20, delete "*business and*"

Page 3, line 23, delete "*business and*"

Page 3, line 31, delete "AND BUSINESS"

Page 3, line 33, delete "*business and*"

Page 4, line 8, delete "*business and*"

Page 4, line 15, delete "*business and*"

Page 4, line 21, delete "*business*"

Page 4, line 22, delete "*and*"

Page 4, line 33, delete "*business and*"

Page 5, line 2, delete "*business and*"

Page 5, line 13, delete "*business and*"

Page 5, line 14, delete "*business and*"

Page 5, line 23, delete "*business and*"

Page 7, line 5, delete "*business and*"

Page 8, line 5, delete "*business and*"

Page 8, line 9, delete "*business and*"

Page 8, line 28, delete "*business and*"

Page 9, line 2, delete "*business and*"

Page 9, line 6, delete "*business and*"

Page 14, line 5, delete "*business and*"

Page 14, line 36, delete "*Business and*"

Page 15, line 2, insert "\$47,000" in the far right-hand column

Page 17, line 24, delete "*business and*"

Page 19, line 7, delete "*business and*"

Page 19, line 9, delete "*business and*"

Page 19, line 33, delete "*business and*"

Page 20, line 19, delete "*business and*"

Page 20, line 29, delete "*business and*"

Page 20, line 36, delete "*business and*"

Page 21, line 6, delete "*business*"

Page 21, line 7, delete "*and*"

Page 21, line 18, delete "*business and*"

Page 21, line 21, delete "*business*"

Page 21, line 22, delete "*and*"

Page 22, line 20, delete "*business and*"

Page 25, line 13, reinstate the stricken "*commerce*" and delete "*health*"

Page 25, line 15, reinstate the stricken "*commerce*" and delete "*health*"

Page 26, line 3, delete "*business and*"

Page 26, delete lines 28 and 29

Page 26, line 30, delete "*(i)*" and insert "*(h)*"

Amend the title as follows:

Page 1, line 3, delete "*business and*"

Page 1, line 5, delete "*business and*"

Page 1, line 7, delete "*administration,*"

Page 1, line 10, delete "*business and*"

Page 1, line 13, delete "*business and*"

Page 1, line 15, delete "*commissioners*" and insert "*commissioner*"

Page 1, line 16, delete "*business and*"

Page 1, line 16, delete "*and health*"

With the recommendation that when so amended the bill pass.

The report was adopted.

Norton from the Committee on Governmental Operations to which was referred:

H. F. No. 524, A bill for an act relating to low-level radioactive waste; entering the Midwest Interstate Low-Level Radioactive Waste Compact; assessing certain low-level radioactive waste generators; providing for enforcement of the compact; providing for civil and criminal penalties; creating an advisory committee; appropriating money; proposing new law coded in Minnesota Statutes, chapter 116C.

Reported the same back with the following amendments:

Page 16, line 3, delete everything after "g."

Page 16, delete line 4

Page 16, line 5, delete "Congress." and insert "*This compact becomes effective July 1, 1983, or at any date subsequent to July 1, 1983, upon enactment by at least three eligible states. However, Article IX, section. (b) shall not take effect until the Congress has by law consented to this compact.*"

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

The report was adopted.

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

H. F. No. 556, A bill for an act relating to motor vehicles; maintaining the maximum interest rate on certain loans under the Motor Vehicle Retail Installment Sales Act at the current rate; amending Minnesota Statutes 1982, section 168.72, subdivision 2.

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

The report was adopted.

Vanasek from the Committee on Judiciary to which was referred:

H. F. No. 655, A bill for an act relating to courts; abolishing the county and probate court; transferring the jurisdiction, cases, records, and employees of that court to the district court; merging the municipal and conciliation courts with the district

court in the second and fourth judicial districts; transferring the jurisdiction, cases, records and employees of those courts to the district court; providing that municipal and probate and county judges learned in the law are district judges; providing the manner of determining whether a judicial vacancy exists; exempting certain judges from hearing certain matters; providing transitional retirement benefits; amending Minnesota Statutes 1982, sections 2.722, subdivision 1, and by adding a subdivision; 484.01; 484.545, subdivision 1; 484.69, subdivision 3; proposing new law coded in Minnesota Statutes, chapters 487, 488A, and 490; repealing Minnesota Statutes 1982, section 487.191.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1982, section 2.722, subdivision 1, is amended to read:

Subdivision 1. [DESCRIPTION.] Effective July 1, 1959, the state is divided into ten judicial districts composed of the following named counties, respectively, in each of which districts two or more judges shall be chosen as hereinafter specified:

1. Goodhue, Dakota, Carver, LeSueur, McLeod, Scott, and Sibley; (SEVEN) 20 judges; and (FOUR) permanent chambers shall be maintained in Red Wing, Hastings, Shakopee, Gaylord, LeCenter, West St. Paul, Chaska, Burnsville, South St. Paul, and Glencoe and one other shall be maintained at the place designated by the chief judge of the district;

2. Ramsey; (13) 24 judges; and permanent chambers shall be maintained in New Brighton, Roseville, Maplewood, North St. Paul, White Bear Lake, and St. Paul;

3. Wabasha, Winona, Houston, Rice, Olmsted, Dodge, Steele, Waseca, Freeborn, Mower, and Fillmore; (SIX) 22 judges; and permanent chambers shall be maintained in Faribault, Albert Lea, Austin, Rochester, Wabasha, Caledonia, Mantorville, Preston, Owatonna, Waseca, and Winona;

4. Hennepin; (24) 41 judges; and permanent chambers shall be maintained in Minneapolis, Bloomington, and at other northern and western suburban locations throughout the county as a majority of the judges designate;

5. Blue Earth, Watonwan, Lyon, Redwood, Brown, Nicollet, Lincoln, Cottonwood, Murray, Nobles, Pipestone, Rock, Faribault, Martin, and Jackson; (FIVE) 21 judges; and permanent chambers shall be maintained in Marshall, Windom, Fairmont,

New Ulm, St. Peter, St. James, Blue Earth, Jackson, Pipestone, Worthington, Slayton, Redwood Falls, and Mankato;

6. Carlton, St. Louis, Lake, and Cook; (SIX) 14 judges; and permanent chambers shall be maintained in Duluth, Virginia, Hibbing, Two Harbors or Grand Marais, and Carlton;

7. Benton, Douglas, Mille Lacs, Morrison, Otter Tail, Stearns, Todd, Clay, Becker, and Wadena; (FOUR) 19 judges; and permanent chambers shall be maintained in Moorhead, Fergus Falls, Little Falls, Foley, Alexandria, Milaca, Long Prairie, Detroit Lakes, Wadena, and St. Cloud;

8. Chippewa, Kandiyohi, Lac qui Parle, Meeker, Renville, Swift, Yellow Medicine, Big Stone, Grant, Pope, Stevens, Traverse, and Wilkin; (THREE) 13 judges; and permanent chambers shall be maintained in Morris, Montevideo, Litchfield, Olivia, Wheaton, Glenwood, Breckenridge, Benson, Granite Falls, and Willmar;

9. Norman, Polk, Marshall, Kittson, Red Lake, Roseau, Mahanomen, Pennington, Aitkin, Itasca, Crow Wing, Hubbard, Beltrami, Lake of the Woods, Clearwater, Cass and Koochiching; (SIX) 20 judges; and permanent chambers shall be maintained in Crookston, Thief River Falls, Bemidji, Brainerd, Grand Rapids, Ada, Warren, Red Lake Falls, Roseau, Aitkin, Park Rapids, Bagley, Walker, and International Falls;

10. Anoka, Isanti, Wright, Sherburne, Kanabec, Pine, Chisago, and Washington; (TEN) 23 judges; and permanent chambers shall be maintained in Anoka, Stillwater, Buffalo, Elk River, Mora, Cambridge, Center City, Pine City, and other places designated by the chief judge of the district.

All permanent chambers designated in this section are subject to the provisions of section 480.22.

Sec. 2. Minnesota Statutes 1982, section 484.01, is amended to read:

484.01 [JURISDICTION.]

There shall be one trial court, which shall be the district court. The district (COURTS SHALL HAVE) court has original jurisdiction in all civil actions within (THEIR RESPECTIVE DISTRICTS) its judicial district, in all cases of crime committed or triable (THEREIN,) in the district, in all juvenile proceedings, in all probate proceedings, including the administration of estates of deceased persons and trust estates and guardianship and incompetency proceedings, in all special proceedings not exclusively cognizable by some other court or tribunal, and

in all other cases (WHEREIN SUCH) *in which the jurisdiction is especially conferred upon (THEM) it by law. (THEY) It shall also have appellate jurisdiction in every case in which an appeal (THERETO) to it is allowed by law from any other court, officer, or body.*

Sec. 3. Minnesota Statutes 1982, section 484.545, subdivision 1, is amended to read:

Subdivision 1. The district judges regularly assigned to hold court in each judicial district except for the second, fourth, and tenth judicial districts may by orders filed with the clerk of court and county auditor of each county in the district appoint a competent law clerk for every two district court judges (OF) *in the judicial district as of December 31, 1983.* The district judges regularly assigned to hold court in the tenth judicial district may by orders filed with the clerk of court and county auditor of each county in the district appoint a competent law clerk for each district court judge (OF) *in the district as of December 31, 1983.* In addition, the Dakota county board of commissioners may authorize the district judges regularly assigned to hold court in the first judicial district to appoint three competent law clerks, whose salaries shall be paid by the county. *The district court administrator in each district shall make assignments of all law clerks in that district.*

A judicial advisory service shall be provided to all trial court judges to assist them with research, information about current legal developments, library services, and legal forms.

Sec. 4. Minnesota Statutes 1982, section 484.69, subdivision 3, is amended to read:

Subd. 3. [ADMINISTRATIVE AUTHORITY.] In each judicial district, the chief judge, subject to the authority of the chief justice, shall exercise general administrative authority over the courts within the judicial district. The chief judge shall make assignments of judges to serve on the (COURTS) court within the judicial district, and assignments may be made without the consent of the judges affected; *except that no judge who was serving in the district, probate, county, or municipal court prior to June 30, 1983, shall be required to hear any matter which a judge of those respective courts would not have been required to hear prior to June 30, 1983. (THE CHIEF JUDGE MAY ASSIGN ANY JUDGE OF ANY COURT WITHIN THE JUDICIAL DISTRICT TO HEAR ANY MATTER IN ANY COURT OF THE JUDICIAL DISTRICT. WHEN A JUDGE OF A COURT IS ASSIGNED TO ANOTHER COURT HE IS VESTED WITH THE POWERS OF A JUDGE OF THE COURT TO WHICH HE IS ASSIGNED.)* A judge may not be assigned to hear matters outside his judicial district pursuant to this subdivision.

Sec. 5. [487.001] [COUNTY AND PROBATE COURT ABOLISHED.]

The probate court, which is also a county court, is abolished. The jurisdiction of the county and probate court is transferred to the district court. The judges of the county and probate court who are learned in the law are judges of the district court in which the county and probate court on which they served was located and shall continue to serve the term to which they were appointed or last elected. Upon completion of the term which they were serving on January 1, 1984, they shall be eligible for reelection. The cases pending, the records, and the individuals employed by or serving in the county and probate court on January 1, 1984, shall be transferred to the district court in the judicial district in which the county and probate court was located.

Sec. 6. Minnesota Statutes 1982, section 487.191, is amended to read:

487.191. [MERGER WITH DISTRICT COURTS.]

One year following certification to the secretary of state of intention to reorganize the trial courts by a majority of the district judges and a majority of the county or county municipal judges of a judicial district, there shall be one general trial court of the judicial district to be known as the district court, which shall also be a probate court.

Upon the effective date of a judicial district reorganization, the district court, except in the second and fourth districts, shall also exercise the powers, duties, and jurisdiction conferred upon courts by chapters 260, 484, 487, 491, 492, 493, and 525.

Upon the effective date of a judicial district reorganization of the second or fourth districts, the district court shall also exercise the powers conferred upon courts by chapters 488A, 492, and 493.

Notwithstanding any other law, the county or county municipal judges of the district in office on the effective date of a reorganization shall be district judges and shall continue in office for the balance of the term for which they were elected or appointed and shall be entitled to run for reelection as incumbent judges of the district court.

This section governs any merger of district and county or county municipal courts within a judicial district which occurs on or before December 31, 1983.

Sec. 7. [488A.001] [MUNICIPAL AND CONCILIATION COURTS MERGER WITH DISTRICT COURT.]

The municipal and conciliation courts of Ramsey and Hennepin counties are merged with the district courts in the second and fourth judicial districts, respectively. The judges of the municipal courts of Ramsey and Hennepin counties are district judges of the second and fourth judicial districts respectively and shall continue to serve the term to which they were appointed or last elected. Upon completion of the term which they were serving January 1, 1984, they shall be eligible for reelection. The cases pending, the records, and the individuals employed by or serving in the municipal and conciliation courts of Ramsey and Hennepin counties on January 1, 1984, are transferred to the district courts in the second and fourth judicial districts respectively. Ramsey county municipal and conciliation court employees transferred to the district court shall remain in the unclassified service of Ramsey county and be salaried pursuant to a schedule adopted by a majority of the judges in the second judicial district and approved by the county board of commissioners. Notwithstanding any law to the contrary, no county municipal or conciliation court employee's salary shall be reduced below the amount in effect on December 31, 1983.

Sec. 8. [490.134] [COUNTY COURT RETIREMENT BENEFITS.]

Any former county or municipal court judge or employee who retires as a district court judge or employee on or after January 1, 1984, shall remain eligible for all retirement benefits, including but not limited to hospital, medical, or life insurance benefits, for which he would have been eligible from the state or any political subdivision if he had retired as a county or municipal court judge or employee.

Sec. 9. [INSTRUCTIONS TO THE STATE COURT ADMINISTRATOR.]

On or before January 1, 1984, the state court administrator shall present to the chairmen of the committees on the judiciary in the house and the senate a report of the statutes in effect prior to the effective date of sections 1 to 8 which concern the jurisdiction, administration, procedure, judges, and personnel of the district, probate, county, and municipal courts and which require amendment in order to implement the purposes of sections 1 to 8. The state court administrator shall consult with the revisor of statutes in the preparation of this report which shall be in the form of a bill draft.

Sec. 10. [EFFECTIVE DATE.]

Sections 1 to 8 are effective January 1, 1984. Section 9 is effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to courts; abolishing the county and probate court; transferring the jurisdiction, cases, records, and employees of that court to the district court; merging the municipal and conciliation courts with the district court in the second and fourth judicial districts; transferring the jurisdiction, cases, records, and employees of those courts to the district court; providing that municipal and probate and county judges learned in the law are district judges; exempting certain judges from hearing certain matters; providing transitional retirement benefits; amending Minnesota Statutes 1982, sections 2.722, subdivision 1; 484.01; 484.545, subdivision 1; 484.69, subdivision 3; 487.191; proposing new law coded in Minnesota Statutes, chapters 487, 488A, and 490."

With the recommendation that when so amended the bill pass.

The report was adopted.

Jacobs from the Committee on Regulated Industries to which was referred:

H. F. No. 658, A bill for an act relating to public utilities; excluding municipal electric utilities from application of chapter 216B; amending Minnesota Statutes 1982, section 216B.164, subdivisions 2 and 3.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1982, section 216B.164, subdivision 2, is amended to read:

Subd. 2. [APPLICABILITY.] This section as well as any rules promulgated by the commission (PURSUANT TO) *under the public utility regulatory policies act of 1978, (PUB.L.) Public Law Number 95-617, (92 STAT.) Statutes at Large, volume 92, page 3117, and the federal energy regulatory commission regulations thereunder, (18 C.F.R.) Code of Federal Regulations, title 18, Part 292, (SHALL) apply to (ALL) Minnesota electric utilities, including cooperative electric associations and municipal electric utilities (, THAT BECOME INTERCONNECTED WITH ANY QUALIFYING FACILITY AS DEFINED IN 18 C.F.R. SECTION 292.101(B)(1)).*

Sec. 2. Minnesota Statutes 1982, section 216B.164, is amended by adding a subdivision to read:

Subd. 9. [COMMISSION.] As this section applies to the municipal electric utilities and as used in this section only, "commission" shall mean the governing body of each municipal electric utility that adopts and has in effect rules implementing

this section which are consistent with the rules of the Minnesota public utilities commission adopted pursuant to subdivision 6, except for subdivisions 5 and 7 where it shall mean the Minnesota public utilities commission.

Sec. 3. Minnesota Statutes 1982, section 216B.164, is amended by adding a subdivision to read:

Subd. 10. [GOVERNING BODY.] "Governing body" with respect to a municipal electric utility, means the city council or, if another board, commission, or body is empowered by law or its charter or by resolution of the city council to establish and regulate rates and charges for the distribution of electric energy within the city, such board, commission, or body shall be deemed to be the "governing body."

Delete the title and insert:

"A bill for an act relating to public utilities; changing the definition of commission for application of chapter 216B; amending Minnesota Statutes 1982, section 216B.164, subdivision 2, and by adding subdivisions."

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 674, A bill for an act relating to insurance; extending the insurance division revolving fund; providing for a program of continuing education; establishing a continuing insurance education advisory committee; authorizing the commissioner of insurance to promulgate rules to implement the program; requiring certain disclosures on credit insurance policies and application; amending Minnesota Statutes 1982, sections 60A.02, subdivision 7; 60A.03, subdivision 6; 60A.17, subdivisions 1 and 6c; and proposing new law coded in Minnesota Statutes, chapter 60A.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1982, section 60A.02, subdivision 7, is amended to read:

Subd. 7. [INSURANCE AGENT.] An "insurance agent" is a person acting under express authority from, and an appointment pursuant to section 60A.17 by, an insurer and on its behalf to solicit insurance, or to appoint other agents to solicit insur-

ance, or to write and countersign policies of insurance, or to collect premiums therefor within this state, or to exercise any or all these powers when so authorized by the insurer. The term "person" includes a natural person, a partnership, or a corporation.

Sec. 2. Minnesota Statutes 1982, section 60A.03, subdivision 5, is amended to read:

Subd. 5. [EXAMINATION FEES AND EXPENSES.] When any visitation, examination, or appraisal is made by *order of the commissioner, (AN ASSISTANT, AN ACTUARY OTHER THAN A CONSULTING ACTUARY APPOINTED UNDER SUBDIVISION 3, CLAUSE (3), AN AUDIT DIRECTOR, A SUPERVISOR OF ANALYSTS, OR A CERTIFIED PUBLIC ACCOUNTANT RETAINED BY THE INSURANCE DIVISION, THE COMPANY BEING EXAMINED, VISITED OR APPRAISED, INCLUDING FRATERNALS, TOWNSHIP MUTUALS AND RECIPROCAL EXCHANGES, SHALL PAY TO THE DIVISION OF INSURANCE \$130 FOR EACH DAY NECESSARILY SPENT BY THAT PERSON IN SUCH ACTIVITIES. WHEN THE VISITATION, EXAMINATION OR APPRAISAL IS MADE BY THE PRINCIPAL AUDITOR SENIOR AUDITOR OR RATE ANALYST REGULARLY EMPLOYED IN THE DIVISION OF INSURANCE, THE COMPANY BEING EXAMINED, VISITED OR APPRAISED, INCLUDING FRATERNALS, TOWNSHIP MUTUALS, AND RECIPROCAL EXCHANGES, SHALL PAY TO THE DIVISION \$80 FOR EACH DAY NECESSARILY OCCUPIED BY THAT PERSON IN SUCH ACTIVITIES. WHEN THE VISITATION, EXAMINATION, OR APPRAISAL IS MADE, OR ENGAGED IN, BY ANY OTHER PERSON REGULARLY EMPLOYED IN THE DIVISION OF INSURANCE, THE COMPANY BEING EXAMINED, VISITED OR APPRAISED INCLUDING FRATERNALS, TOWNSHIP MUTUALS AND RECIPROCAL EXCHANGES, SHALL PAY TO THE DIVISION OF INSURANCE THE SUM OF \$65 FOR EACH DAY NECESSARILY SPENT BY THAT PERSON IN SUCH ACTIVITIES. IN ADDITION TO THE FEES SPECIFIED IN THIS SECTION, THE COMPANY BEING EXAMINED, VISITED OR APPRAISED SHALL ALSO PAY TO THE DIVISION OF INSURANCE THE NECESSARY EXPENSES OF THE PERSONS ENGAGED IN THE EXAMINATION, VISIT OR APPRAISAL) the company being examined, visited, or appraised, including fraternal, township mutuals, reciprocal exchanges, nonprofit service plan corporations, health maintenance organizations, vendors of risk management services licensed under section 60A.23, or self-insurance plans or pools established under section 176.181 or 471.982, shall pay to the insurance division the necessary expenses of the persons engaged in the examination, visit, or appraisal plus the per diem salary fees of the employees of the division of insurance who are conducting or participating in the examination, visitation, or appraisal. The*

per diem salary fees must be determined by the commissioner based upon the approved examination fee schedules of the National Association of Insurance Commissioners. All of these fees and expenses (SHALL) must be paid into the (GENERAL) insurance division revolving fund. (THE NECESSARY EXPENSES OF THE PERSONS ENGAGED IN THE EXAMINATION, VISIT OR APPRAISAL SHALL BE PAID BY THE COMMISSIONER OF FINANCE AT RATES PRESCRIBED FOR STATE EMPLOYEES.)

Sec. 3. Minnesota Statutes 1982, section 60A.03, subdivision 6, is amended to read:

Subd. 6. [(EXAMINATION) REVOLVING FUND.] (1) [REVOLVING FUND CREATED.] There is (HEREBY) created the insurance division (EXAMINATION) revolving fund for the (PURPOSE) *purposes* of carrying on the examination of foreign and domestic insurance companies *and as provided in section 5.*

(2) [MONEYS IN REVOLVING FUND.] (SUCH) *The* fund (SHALL CONSIST) *consists* of the \$7,500 appropriated therefor and the moneys transferred to it as herein provided, which are reappropriated to the commissioner of insurance for the (PURPOSE) *purposes* of this subdivision.

(3) [FUND TO BE KEPT IN STATE TREASURY.] (SUCH) *The* fund (SHALL) *must* be kept in the state treasury and (SHALL) *must* be paid out in the manner prescribed by law for moneys therein.

(4) [PURPOSES FOR WHICH FUND MAY BE EXPENDED.] (SUCH) *The* fund (SHALL) *must* be used for the payment of per diem salaries and expenses of special examiners and appraisers, and the expenses of the commissioner of insurance, deputy commissioner of insurance, chief examiner, actuary other than a consulting actuary appointed under subdivision 3, *clause* (3) (HEREOF), regular salaried examiners and other employees of the insurance division when participating in examinations of foreign and domestic insurance companies. Expenses include meals, lodging, laundry, transportation, and mileage. The salary of regular employees of the division of insurance (SHALL) *must* not be paid out of this fund, *except as provided in section 5.*

Moneys due members of the continuing insurance education advisory committee and salaries, equipment, and expenses of employees of the commerce department administering the continuing insurance education program must be paid from the fund in the manner prescribed by law.

(5) [COLLECTIONS TO BE DEPOSITED IN FUND.] All moneys collected by the division of insurance from insurance

companies and agents for fees and expenses of examinations, (SHALL) and as provided in section 5, must be deposited in the insurance division (EXAMINATION) revolving fund.

(6) [PAYMENTS FROM (SUCH) FUND.] Upon authorization by the commissioner of insurance, the moneys due (EACH EXAMINER OR EMPLOYEE ENGAGED IN AN EXAMINATION SHALL) to a person must be paid (TO HIM) from the insurance division (EXAMINATION) revolving fund in the manner prescribed by law.

(7) [EXCESS OVER \$7,500 CANCELED INTO GENERAL FUND.] The balance in (SUCH) the fund on June 30 of each year in excess of \$7,500 (SHALL) must be (FORTHWITH) canceled into the general fund.

Sec. 4. Minnesota Statutes 1982, section 60A.14, subdivision 1, is amended to read:

Subdivision 1. [FEES OTHER THAN EXAMINATION FEES.] In addition to the fees and charges provided for examinations, the following fees (SHALL) must be paid to the commissioner for deposit in the general fund:

(a) by township mutual fire insurance companies:

(1) for filing certificate of incorporation \$25 and amendments thereto, \$10;

(2) for filing annual statements, \$15;

(3) for each annual certificate of authority, \$15;

(4) for filing bylaws \$25 and amendments thereto, \$10.

(b) by other domestic and foreign companies including fraternal and reciprocal exchanges:

(1) for filing certified copy of certificate of articles of incorporation, \$50;

(2) for filing annual statement, \$30;

(3) for filing certified copy of amendment to certificate or articles of incorporation, \$50;

(4) for filing bylaws, \$25 or amendments thereto, \$10;

(5) for each company's certificate of authority, (\$30) \$40, annually.

(c) the following general fees apply:

(1) for each certificate, including certified copy of certificate of authority, renewal, valuation of life policies, corporate condition or qualification, \$5;

(2) for each copy of paper on file in the commissioner's office 50 cents per page, and \$2.50 for certifying the same;

(3) for license to procure insurance in unadmitted foreign companies, (\$10) \$40;

(4) for receiving and forwarding each notice, proof of loss, summons, complaint or other process served upon the commissioner of insurance, as attorney for service of process upon any non-resident agent or insurance company, including reciprocal exchanges, (\$5) \$15, which amount (SHALL) *must* be paid by the party serving the (SAME) *notice* and may be taxed as other costs in the action;

(5) for valuing the policies of life insurance companies, one cent per one thousand dollars of insurance so valued. The commissioner may, in lieu of a valuation of the policies of any foreign life insurance company admitted, or applying for admission, to do business in this state, accept a certificate of valuation from the company's own actuary or from the commissioner of insurance of the state or territory in which the company is domiciled;

(6) for receiving and filing certificates of policies by the company's actuary, or by the commissioner of insurance of any other state or territory, \$50;

(7) for issuing (A) *an initial license to an individual agent*, (\$15) \$20, *for issuing an initial agent's license to a partnership or corporation*, \$50, and for issuing an amended or duplicate license, (\$3) \$25;

(8) for an application, examination, or re-examination for one class of license, \$15 and an additional \$15 for an application, examination, or re-examination for the second class of license;

(9) for each appointment of an agent filed with the commissioner, a domestic insurer shall remit \$5 (ANNUALLY) and all other insurers shall remit \$3 (ANNUALLY);

(10) *for renewing an individual agent's license*, \$20, and *for renewing a license issued to a corporation or partnership*, \$50;

(11) *for issuing and renewing a surplus lines agent's license*, \$500.

Sec. 5. Minnesota Statutes 1982, section 60A.17, subdivision 1, is amended to read:

Subdivision 1. [LICENSE.] (a) [REQUIREMENT.] No person shall act or assume to act as an insurance agent in the solicitation or procurement of applications for insurance, nor in the sale of insurance or policies of insurance, nor in any manner aid as an insurance agent in the negotiation of insurance by or with an insurer, including resident agents or reciprocal or interinsurance exchanges and fraternal beneficiary associations, until that person (SHALL OBTAIN) *obtains* from the commissioner a license therefor. The license (SHALL) *must* specifically set forth the name of the person so authorized to act as agent and the class or classes of insurance for which that person is authorized to solicit or countersign policies. An insurance agent may qualify for a license in the following classes: (1) life and health; and (2) property and casualty.

No insurer shall appoint or *reappoint* any natural person, partnership, or corporation to act as an insurance agent on its behalf until that natural person, partnership, or corporation obtains a license as an insurance agent *and unless that person has complied with the continuing education requirements for insurance agents as provided by law.*

(b) [PARTNERSHIPS AND CORPORATIONS.] A license issued to a partnership or corporation (SHALL) *must* be solely in the name of the entity to which it is issued; provided, that each partner, director, officer, stockholder, or employee of the licensed entity who is personally engaged in the solicitation or negotiation of a policy of insurance on behalf of the licensed entity shall be personally licensed as an insurance agent.

Upon request by the commissioner, each partnership and corporation licensed as an insurance agent shall provide the commissioner with a list of the names of each partner, director, officer, stockholder, and employee who is required to hold a valid insurance agent's license.

(c) [TRANSITION.] (1) Any agent who is qualified for life or accident and health as of June 1, 1981 (SHALL BE DEEMED TO HAVE) *is* qualified for a life and health license under laws 1981, Chapter 307 and (BEEN) *is* appointed by an insurer which has submitted a written requisition for a license for that agent as of June 1, 1981.

(2) Any agent who is qualified for one or more lines of insurance, excluding life or accident and health and farm property liability as of June 1, 1981 (SHALL BE DEEMED TO HAVE) *is* qualified for a property and casualty license under Laws 1981, Chapter 307 and (BEEN) *is* appointed by any insurer which has submitted a written requisition for a license for that agent as of June 1, 1981.

Sec. 6. Minnesota Statutes 1982, section 60A.17, is amended by adding a subdivision to read:

Subd. 1d. [RENEWAL FEE.] Each agent licensed pursuant to this section shall annually pay in accordance with the procedure adopted by the commissioner a renewal fee as prescribed by section 60A.14, subdivision 1, paragraph (c), clause (10).

Sec. 7. Minnesota Statutes 1982, section 60A.17, subdivision 6c, is amended to read:

Subd. 6c. [REVOCAION OR SUSPENSION OF LICENSE.] (a) The commissioner may suspend or revoke an insurance agent's license issued to a natural person or impose a civil penalty appropriate to the offense, not to exceed \$5,000 upon that licensee, if, after notice and hearing, the commissioner finds as to that licensee any one or more of the following conditions:

(1) any materially untrue statement in the license application;

(2) any cause for which issuance of the license could have been refused had it then existed and been known to the commissioner at the time of issuance;

(3) violation of, or noncompliance with, any insurance law or violation of any rule or order of the commissioner or of a commissioner of insurance of another state or jurisdiction;

(4) obtaining or attempting to obtain any license through misrepresentation or fraud;

(5) improperly withholding, misappropriating, or converting to the licensee's own use any moneys belonging to a policyholder, insurer, beneficiary, or other person, received by the licensee in the course of the licensee's insurance business;

(6) misrepresentation of the terms of any actual or proposed insurance contract;

(7) conviction of a felony or of a gross misdemeanor or misdemeanor involving moral turpitude;

(8) that the licensee has been found guilty of any unfair trade practice, as defined in chapters 60A to 72A, or of fraud;

(9) that in the conduct of the agent's affairs under the license, the licensee has used fraudulent, coercive, or dishonest

practices, or the licensee has been shown to be incompetent, untrustworthy, or financially irresponsible;

(10) that the agent's license has been suspended or revoked in any other state, province, district, territory, or foreign country;

(11) that the licensee has forged another's name to an application for insurance; (OR)

(12) that the licensee has violated subdivision 6b; or

(13) that the licensee has no valid appointment under this section by an admitted insurer.

(b) The commissioner may suspend or revoke an insurance agent's license issued to a partnership or corporation or impose a civil penalty not to exceed \$5,000 upon that licensee, if, after notice and hearing, the commissioner finds as to that licensee, or as to any partner, director, shareholder, officer, or employee of that licensee, any one or more of the conditions set forth in paragraph (a).

(c) A revocation of a license (SHALL PROHIBIT) prohibits the licensee from making a new application for a license for at least one year. Further, the commissioner may, as a condition of relicensure, require the applicant to file a reasonable bond for the protection of the citizens of this state (, WHICH). The bond (SHALL) must be maintained by the licensee in full force for a period of five years immediately following issuance of the license, unless the commissioner at his or her discretion shall after two years permit the licensee to sooner terminate the maintenance filing of the bond.

(d) Whenever it appears to the commissioner that any person has engaged or is about to engage in any act or practice constituting a violation of chapter 60A or of any rule or order of the commissioner:

(1) The commissioner may issue and cause to be served upon the person an order requiring the person to cease and desist from the violation. The order (SHALL) must give reasonable notice of the time and place of hearing and (SHALL) must state the reasons for the entry of the order. A hearing (SHALL) must be held not later than seven days after the issuance of the order unless the person requests a delay. After the hearing and within 30 days of filing of any exceptions to the hearing examiner's report, the commissioner shall issue an order vacating the cease and desist order or making it permanent as the facts require. All hearings (SHALL) must be conducted in accordance with the provisions of chapter 14. If the person to whom a cease and desist order is issued fails to appear at the hearing after being duly

notified, the person (SHALL BE DEEMED) is in default, and the proceeding may be determined against the person upon consideration of the cease and desist order, the allegations of which may be deemed to be true;

(2) The commissioner may bring an action in the district court in the appropriate county to enjoin the acts or practices and to enforce compliance with chapter 60A and any rule or order of the commissioner; and

(3) In any proceeding under chapter 60A relating to injunction, the request for injunction may be brought on for hearing and disposition upon an order to show cause returnable upon not more than eight days notice to the defendant. The case (SHALL HAVE) has precedence over other matters on the court calendar and (SHALL) must not be continued without the consent of the state of Minnesota, except upon good cause shown to the court, and then only for a reasonable length of time as may be necessary in the opinion of the court to protect the rights of the defendant.

Sec. 8. [60A.1701] [CONTINUING INSURANCE EDUCATION.]

Subdivision 1. [DEFINITION.] For the purposes of this section, "course" means a course, program of instruction, or seminar of continuing insurance education.

Subd. 2. [APPLICABILITY.] This section applies to all natural persons licensed by this state to sell classes of insurance for which licensing examinations are required.

Subd. 3. [EXEMPTIONS.] Notwithstanding subdivision 2, this section does not apply to:

(a) persons soliciting or selling solely on behalf of companies organized and operating according to chapter 67A;

(b) persons holding nonresident licenses issued by this state unless continuing education requirements are imposed on Minnesota resident license holders by the nonresident licensee's state of resident licensing; or

(c) persons who certify to the commissioner in writing by February 28 of each year that they will sell only credit life, credit health, and credit property insurance, including motor vehicle and homeowners' insurance, during that year and do in fact so limit their sale of insurance.

Subd. 4. [CONTINUING INSURANCE EDUCATION ADVISORY COMMITTEE.] There is established a continuing insurance education advisory committee consisting of 13 members. All members must be residents of Minnesota. Three members

must neither be employed by an insurance company nor licensed as an insurance agent. These three members are not eligible to be chairperson and are compensated according to section 15.059, subdivision 3. Each of the other ten members must be actively engaged in some activity in the insurance industry in this state and have a principal office located in this state. These ten members serve without compensation, but are paid reasonable and necessary expenses incurred in the performance of their duties in the same amount and in the same manner as state employees. Three of these ten members must be employed in capacities other than as licensed agents by insurance companies authorized to do business in this state. The remaining seven members must be licensed insurance agents actively engaged in the solicitation and sale of insurance and currently subject to continuing education requirements. Membership on the advisory committee must represent, to the extent possible, the various phases of the insurance industry and especially the several classes of insurance.

The commissioner shall appoint the members of the committee. Before making appointments to the advisory committee, the commissioner shall solicit nominations from the several professional organizations representing persons selling insurance in this state and from the organizations representing companies authorized to do business in this state. Of the members first appointed, three shall be appointed for one year, three for two years, three for three years, and four for four years. Thereafter, each appointment is for a four-year term. No member may serve more than two consecutive four-year terms. Each member of the committee serves until a successor is appointed.

The advisory committee shall select by simple majority a chairperson and other officers it deems advisable. The term of the chairperson shall be determined by the commissioner. The advisory committee may adopt bylaws for its operation.

Subd. 5. [POWERS OF THE ADVISORY COMMITTEE.]

(a) Applications for accreditation of each course must be submitted to the advisory committee on forms prescribed by the committee and must be accompanied by a fee of not more than \$10 payable to the state of Minnesota for deposit in the insurance division revolving fund. The advisory committee shall make recommendations to the commissioner regarding the accreditation of courses sponsored by institutions, both public and private, which satisfy the criteria established by this section, the number of credit hours to be assigned to the courses, and rules which may be promulgated by the commissioner. The advisory committee shall seek out and encourage the presentation of courses.

(b) The advisory committee shall make recommendations and provide subsequent evaluations to the commissioner regarding procedures for reporting compliance with the minimum education requirement.

Subd. 6. [POWERS OF THE COMMISSIONER.] (a) The commissioner shall make the final determination as to accreditation and assignment of credit hours for courses.

(b) The commissioner shall adopt procedures for reporting compliance with the minimum education requirement. These procedures are not subject to the rulemaking provisions of chapter 14.

(c) The commissioner shall promulgate rules according to chapter 14 to carry out the purposes of this section.

Subd. 7. [CRITERIA FOR COURSE ACCREDITATION.] (a) The commissioner may accredit a course only to the extent it is designed to impart substantive and procedural knowledge of the insurance field. The burden of demonstrating that the course satisfies this requirement is on the individual or organization seeking accreditation.

(b) The commissioner may not accredit a course:

(1) that is designed to prepare students for a license examination;

(2) in mechanical office or business skills, including typing, speedreading, use of calculators, or other machines or equipment;

(3) in sales promotion, including meetings held in conjunction with the general business of the licensed agent; or

(4) in motivation, salesmanship, psychology, or time management.

Subd. 8. [MINIMUM EDUCATION REQUIREMENT.] Each person subject to this section shall complete annually a minimum of 20 credit hours of courses accredited by the commissioner. Any person teaching or lecturing at an accredited course qualifies for 1-1/2 times the number of credit hours that would be granted to a person completing the accredited course. Credit hours over 20 earned in any one year may be carried forward for the following two years. The commissioner may recognize accredited courses completed in 1983, 1984, or 1985 for the minimum education requirement for 1985.

Subd. 9. [WAIVER OF REQUIREMENTS.] (a) The commissioner may grant a waiver or an extension of time up to 90 days to complete the minimum education requirement to an individual upon a showing of good cause. It is the licensed person's responsibility to request a waiver or extension on a form prescribed by the commissioner. As of the day the licensed per-

son properly files a request for a waiver or extension, the license remains in effect until the commissioner notifies the licensed person of the commissioner's decision. The commissioner may approve a waiver or extension subject to any reasonable conditions. The person's license remains in effect during the compliance period determined by the commissioner. If the licensed person fails to comply with any reasonable conditions imposed by the commissioner, the commissioner shall terminate the license. If the request for a waiver or extension is denied by the commissioner, the licensed person shall have 30 days within which to satisfy the minimum education requirement involved in the request for a waiver or extension. If the minimum education requirement is not satisfied within the compliance period, the commissioner shall terminate the person's license.

(b) Upon application on a form prescribed by the commissioner, the commissioner may grant a waiver of the minimum education requirement to a group or class of licensed persons upon a showing of good cause.

Subd. 10. [REPORTING.] (a) After completing the minimum education requirement, each person subject to this section shall file or cause to be filed a compliance report annually in accordance with the procedures adopted by the commissioner.

(b) Each compliance report must be accompanied by an annual continuing education fee of \$5 payable to the state of Minnesota for deposit in the insurance division revolving fund.

(c) An institution offering an accredited course shall comply with the procedure for reporting compliance adopted by the commissioner.

(d) If a person subject to this section completes a nonaccredited course, he may submit a written report to the advisory committee accompanied by a fee of not more than \$10 payable to the state of Minnesota for deposit in the insurance division revolving fund. This report must be accompanied by proof satisfactory to the commissioner that the person has completed the minimum education requirement for the annual period during which the nonaccredited course was completed. Upon the recommendation of the advisory committee that the course satisfies the criteria for course accreditation, the commissioner may approve the nonaccredited course and shall so inform the person. If the nonaccredited course is approved by the commissioner, it may be used to satisfy the minimum education requirement for the person's next annual compliance period.

Subd. 11. [ENFORCEMENT.] If a person subject to this section fails to complete the minimum education or reporting requirement or to pay the prescribed fees for any annual period, no license may be issued, renewed, or continued in force for that

person for any class of insurance until the person has demonstrated to the satisfaction of the commissioner that all requirements of this section have been complied with or that a waiver or extension has been obtained.

If a person subject to this section fails to file a compliance request or a request for a waiver or extension with the commissioner within 30 days of the date on which the person is required to report, the commissioner may issue an order summarily suspending that person's license. The order is effective upon service on the person by first class mail at his last known address on file with the commissioner. A person whose license has been summarily suspended under this subdivision may, within 15 days of the date of the order, request a hearing to be conducted according to the provisions of chapter 14. The hearing must be held within 15 days of the commissioner's receipt of the request, but the person may agree to an extension. The summary suspension remains in effect pending the outcome of the hearing.

Subd. 12. [PAYMENT OF EXPENSES.] All necessary expenses of the advisory committee and its members certified to the commissioner as having been incurred in the performance of their duties under this section shall be paid from funds now or hereafter deposited to the credit of the revolving fund pursuant to section 60A.03, subdivision 6.

Sec. 9. Minnesota Statutes 1982, section 60A.198, subdivision 3, is amended to read:

Subd. 3. [PROCEDURE FOR OBTAINING LICENSE.] A person licensed as a resident agent in this state pursuant to other law may obtain a surplus lines license by doing the following:

(a) Filing an application in the form and with the information the commissioner may reasonably require to determine the ability of the applicant to act in accordance with sections 60A.195 to 60A.209;

(b) Maintaining a resident agent license in this state;

(c) Delivering to the commissioner a financial guarantee bond from a surety acceptable to the commissioner for the greater of the following:

(1) \$5,000; or

(2) The largest semiannual surplus lines premium tax liability incurred by him in the immediately preceding five years; and

(d) Agreeing to file with the commissioner no later than February 15 and August 15 annually, a sworn statement of the

charges for insurance procured or placed and the amounts returned on the insurance canceled under the license for the preceding six month period ending December 31 and June 30 respectively, and at the time of the filing of this statement, paying the commissioner a tax on premiums equal to three percent of the total written premiums less cancellations; and

(e) *annually paying a fee as prescribed by section 60A.14, subdivision 1, paragraph (c), clause (11).*

Sec. 10. Minnesota Statutes 1982, section 60A.23, subdivision 8, is amended to read:

Subd. 8. [SELF INSURANCE PLAN ADMINISTRATORS; VENDORS OF RISK MANAGEMENT SERVICES.] (1) [SCOPE.] This subdivision applies to any vendor of risk management services and to any entity which administers, for compensation, a self insurance plan. This subdivision shall not apply (a) to an insurance company authorized to transact insurance in this state, as defined by section 60A.06, subdivision 1, clauses (4) and (5); (b) to a service plan corporation, as defined by section 62C.02, subdivision 6; (c) to a health maintenance organization, as defined by section 62D.02, subdivision 4; (d) to an employer directly operating a self insurance plan for its employees' benefits (OR (E) TO A NONPROFIT INSURANCE TRUST ADMINISTERED AND OPERATED FOR THE BENEFIT OF EMPLOYER PARTICIPANTS AND ESTABLISHED PRIOR TO JANUARY 1, 1979).

(2) [DEFINITIONS.] For purposes of this subdivision the following terms have the meanings given them.

(a) "Administering a self insurance plan" means (i) processing, reviewing or paying claims, (ii) establishing or operating funds and accounts, or (iii) otherwise providing necessary administrative services in connection with the operation of a self insurance plan.

(b) "Employer" means an employer, as defined by section 62E.02, subdivision 2.

(c) "Entity" means any association, corporation, partnership, sole proprietorship, trust, or other business entity engaged in or transacting business in this state.

(d) "Self insurance plan" means a plan providing life, medical or hospital care, accident, sickness or disability insurance, as an employee fringe benefit, or a plan providing liability coverage for any other risk or hazard, which is not directly insured or provided by a licensed insurer, service plan corporation, or health maintenance organization.

(e) "Vendor of risk management services" means an entity providing for compensation actuarial, financial management, accounting, legal or other services for the purpose of designing and establishing a self insurance plan for an employer.

(3) [LICENSE.] No vendor or risk management services or entity administering a self insurance plan may transact (SUCH) *this* business in this state unless it is licensed to do so by the commissioner. An applicant for a license shall state in writing the type of activities it seeks authorization to engage in and the type of services it seeks authorization to provide. The license shall be granted only when the commissioner is satisfied that the entity possesses the necessary organization, background, expertise, and financial integrity to supply the services sought to be offered. The commissioner may issue a license subject to restrictions or limitations upon the authorization, including the type of services which may be supplied or the activities which may be engaged in. The *initial* license fee shall be (\$100) \$2,000. *The fee for renewal of a license shall be \$1,000.* All licenses are for a period of (TWO YEARS) *one year.*

(4) [REGULATORY RESTRICTIONS; POWERS OF THE COMMISSIONER.] To assure that self insurance plans are financially solvent, are administered in a fair and equitable fashion, and are processing claims and paying benefits in a prompt, fair, and honest manner, vendors of risk management services and entities administering self insurance plans are subject to the supervision and examination by the commissioner. Vendors of risk management services, entities administering self insurance plans, and self insurance plans established or operated by them are subject to the trade practice requirements of sections 72A.19 to 72A.30.

(5) [RULE MAKING AUTHORITY.] To carry out the purposes of this subdivision, the commissioner may promulgate administrative rules, including emergency rules, pursuant to sections 14.01 to 14.70. These rules may:

(a) Establish reporting requirements for administrators of self insurance plans;

(b) Establish standards and guidelines to assure the adequacy of financing, reinsuring, and administration of self insurance plans;

(c) Establish bonding requirements or other provisions assuring the financial integrity of entities administering self insurance plans; or

(d) Establish other reasonable requirements to further the purposes of this subdivision.

Sec. 11. Minnesota Statutes 1982, section 471.982, subdivision 2, is amended to read:

Subd. 2. The commissioner of insurance is authorized to promulgate administrative rules, including emergency rules pursuant to sections 14.01 to 14.70. These rules may provide standards or guidelines governing the formation, operation, administration, dissolution of self insurance pools, and other reasonable requirements to further the purpose of this section and shall at a minimum require the following:

(a) All participants in the pool are jointly and severally liable for all claims and expenses of the pool;

(b) Each pool shall contract with a service company licensed by the commissioner to provide or contract for all administrative services required by the pool. No vendor of risk management services or entity administering a self insurance plan under this section may transact such business in this state unless it is licensed to do so by the commissioner (**AN APPLICANT FOR A LICENSE SHALL STATE IN WRITING THE TYPE OF ACTIVITIES IT SEEKS AUTHORIZATION TO ENGAGE IN AND THE TYPE OF SERVICES IT SEEKS AUTHORIZATION TO PROVIDE. THE LICENSE SHALL BE GRANTED ONLY WHEN THE COMMISSIONER IS SATISFIED THAT THE ENTITY POSSESSES THE NECESSARY ORGANIZATION, BACKGROUND, EXPERTISE, AND FINANCIAL INTEGRITY TO SUPPLY THE SERVICES SOUGHT TO BE OFFERED. THE COMMISSIONER MAY ISSUE A LICENSE SUBJECT TO RESTRICTIONS OR LIMITATIONS UPON THE AUTHORIZATION, INCLUDING THE TYPE OF SERVICES WHICH MAY BE SUPPLIED OR THE ACTIVITIES WHICH MAY BE ENGAGED IN. THE LICENSE FEE SHALL BE \$100. ALL LICENSES SHALL BE FOR A PERIOD OF TWO YEARS**) pursuant to section 60A.23, subdivision 8;

(c) The service company has sole responsibility for the settlement of all claims against the pool or its members for which the pool may provide indemnification;

(d) A minimum premium volume for each pool shall be established. The minimum premium volume may differ because of the kinds of coverage provided, and the limits of liability for the coverage;

(e) All premiums or other assessments due to the pool from members shall be payable prior to the period for which coverage is being provided, or at equal intervals throughout the period;

(f) Premiums shall either be established by an actuary approved by the commissioner or shall be premiums filed by a licensed rate service organization with reductions permitted solely for administrative or premium tax savings;

(g) The commissioner may require each pool to purchase excess insurance above certain limits and in a particular form. The limits or form of the excess insurance may differ based on the kinds of coverage offered by a pool, the limits of liability of the coverage, and the revenues available to pool members for the payment of premiums or assessments;

(h) Each pool shall be audited annually by a certified public accountant;

(i) Limitations on the payment of dividends to pool members may be established as necessary to assure the solvency of the pool;

(j) No participant may withdraw from a pool for a period of at least three years after its initial entry into the pool;

(k) The amount of any liabilities in excess of assets shall be assessed to members of the pool within 30 days after a deficiency is identified and shall be payable by the member within 90 days;

(l) The investment policies of the pool shall be governed by the laws governing investments by cities pursuant to section 475.66;

(m) Pools shall be subject to the standards of unfair methods of competition and unfair or deceptive acts or practices established in chapter 72A;

(n) Other requirements that are necessary to protect the solvency of the pool, the rights and privileges of claimants against the pool, and citizens of the members of the pool shall be included in the rules.

Sec. 12. [EFFECTIVE DATES.]

Sections 1; 2; 7; 8, subdivisions 1 to 7 and 12; 9; 10; and 11 are effective the day following final enactment. Sections 3, 4, and 6, are effective July 1, 1983. Section 8, subdivisions 8 and 9, are effective January 1, 1985. Sections 5 and 8, subdivisions 10 and 11, are effective January 1, 1986."

Delete the title and insert:

"A bill for an act relating to insurance; extending the insurance division revolving fund; providing for a program of continuing education; establishing a continuing insurance education advisory committee; authorizing the commissioner of insurance to promulgate rules to implement the program; requiring certain disclosures on credit insurance policies and application; providing license and renewal fees for agents; increasing fees for insurance companies; regulating self-insurance

plans and pools; amending Minnesota Statutes 1982, sections 60A.02, subdivision 7; 60A.03, subdivisions 5 and 6; 60A.17, subdivisions 1 and 6c, and by adding a subdivision; 60A.14, subdivision 1; 60A.198, subdivision 3; 60A.23, subdivision 8; 471.982, subdivision 2; and proposing new law coded in Minnesota Statutes, chapter 60A."

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

The report was adopted.

Anderson, G., from the Committee on Local and Urban Affairs to which was referred:

H. F. No. 689, A bill for an act relating to counties; permitting a change to appointed coroners in certain conditions; amending Minnesota Statutes 1982, section 390.005, subdivision 2.

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

The report was adopted.

Jacobs from the Committee on Regulated Industries to which was referred:

H. F. No. 722, A bill for an act relating to communications; defining terms; requiring access by cable communications companies; imposing conditions of access; limiting certain actions of property owners; allowing appeal; proposing new law coded in Minnesota Statutes, chapter 238.

Reported the same back with the following amendments:

Page 2, line 26, after the period insert "*Access shall include entrance onto the property of the property owner and an easement for purposes of surveying, designing, installing, inspecting, maintaining, operating, repairing, replacing, or removing equipment used in the construction and operation of a cable communications system.*"

Page 3, line 6, delete "*will*" and insert "*with*"

Page 3, line 6, delete "*and, when economical and feasible, must*"

Page 3, line 7, delete everything before the period and insert "*and must be installed parallel to utility lines when economically feasible*"

Page 3, line 11, after the period insert "*Any bond filed by a cable communications company with a municipality which would provide coverage to the property owner as provided above shall be deemed to fulfill the requirements of this subdivision.*"

Page 4, line 6, after "*facilities*" delete the semicolon and insert "*. Payment by the cable communications company of a one-time charge of \$1 for each dwelling unit on the owner's premises shall be presumed to compensate the property owner for the taking of the easement resulting from the installation of the cable communications facilities. The property owner may appeal the presumptive one-time award of \$1 for each dwelling unit as provided in section 238.27. Because access provided under this chapter only allows a cable communications system to provide its service to occupants and does not preclude a property owner from providing any alternative communication service, proof of a difference in fair market value shall not include any alleged loss of an exclusive right to provide communication services;*"

Page 4, line 13, delete "; and" and insert a new period

Page 4, delete lines 14 and 15

Page 5, line 3, delete "An" and insert "*Any property owner may appeal to the cable communications board the compensation tendered by the cable communications company under section 238.25, subdivisions 9 and 10. The appeal shall be filed by the property owner within 45 days after the date of mailing of the tendered compensation by the cable communications company. Upon appeal the board shall determine the compensation to be paid to the property owner pursuant to section 238.25. In all other cases, any*"

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

With the recommendation that when so amended the bill pass.

The report was adopted.

Vanasek from the Committee on Judiciary to which was referred:

H. F. No. 762, A bill for an act relating to welfare; changing laws relating to child support enforcement; amending Minnesota Statutes 1982, sections 256.87, subdivision 1a, and by adding subdivisions: 257.55, subdivision 1; 257.58; 257.59, subdivision 1; 257.60; 257.62, subdivision 1, and by adding subdivisions; 257.64, subdivision 1; 257.65; 257.66, subdivisions 3 and 4; 257.69, subdivision 2; 518.10; 518.551, subdivisions 1, 5, and 6; 518.611, subdivisions 1 and 4, and by adding subdivisions; 518.64, subdivision 2; 518.645; 518B.01, subdivisions 2 and 6; 518C.17, subdivision 1; and 548.09; proposing new law coded in Minnesota

Statutes, chapters 257 and 518; repealing Minnesota Statutes 1982, sections 256.87, subdivision 2; 256.872; 256.873; 256.876; and 518.551, subdivisions 2, 3, and 4.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1982, section 256.74, is amended by adding a subdivision to read:

Subd. 5. [ASSESSMENT OF SUPPORT AND MAINTENANCE RIGHTS.] An applicant for assistance, or a recipient of assistance, under sections 256.72 to 256.87 is considered to have assigned to the public agency responsible for child support enforcement at the time of application all rights to child support and maintenance from any other person the applicant may have in his own behalf or in the behalf of any other family member for whom application is made. The assignment:

(1) is effective as to both current and accrued child support and maintenance obligations;

(2) takes effect upon a determination that the applicant is eligible for assistance under sections 256.72 to 256.87;

(3) terminates when an applicant ceases to receive assistance under sections 256.72 to 256.87, except with respect to the amount of any unpaid support or maintenance obligation, or both, accrued under the assignment.

Sec. 2. Minnesota Statutes 1982, section 256.87, is amended to read:

256.87 [CONTRIBUTION BY PARENTS (; AMENDMENTS; REPEALS).]

Subdivision 1. [ACTIONS AGAINST PARENTS FOR ASSISTANCE FURNISHED.] At any time during the continuance of assistance to a child granted under sections 256.72 to 256.87 *except as set forth below*, a parent of a child is liable for the amount of assistance furnished during the two years immediately preceding the commencement of the action which the parent is reasonably able to pay. *Provided, however, that where child support has been previously ordered, the state or county agency providing the assistance, as assignee of the obligee, shall be entitled to judgments for child support payments accruing within ten years preceding the date of the commencement of the action to collect.* The action may be ordered by the state agency or county agency and shall be brought in the name of the county by the county attorney of the county in which the assistance was granted, or by the state agency against the parent for the re-

covery of the amount of assistance granted, together with the costs and disbursements of the action.

Subd. 1a. [CONTINUING SUPPORT CONTRIBUTIONS.] In addition to granting the county or state agency a money judgment, the court may, upon a motion or order to show cause, order continuing *support* contributions by a parent found able to reimburse the county or state agency. *Except as provided in subdivision 4, the order shall be effective (ONLY) for the period of time during which the recipient receives public assistance from (THE) any county or state agency and for 90 days thereafter the order shall require support according to chapter 518. An order for continuing contributions is reinstated without further hearing upon notice to the parent by (THE) any county or state agency that assistance is again being provided for the child of the parent under sections 256.72 to 256.87. The notice shall be in writing and shall indicate that the parent may request a hearing for modification of the amount of support or maintenance (, THE AMOUNT REQUIRED TO BE PAID, AND THE CONDITIONS UNDER WHICH INCOME WITHHOLDING CAN OCCUR. IN ANY ORDER MODIFYING THE AMOUNT OF SUPPORT OR MAINTENANCE, THE COURT MAY, IF APPROPRIATE, MAKE THE MODIFICATION RETROACTIVE TO THE DATE OF AUTOMATIC REINSTATEMENT).*

Subd. 2. [NOT TO BE VESTED RIGHT.] All assistance granted under those sections shall be deemed to be granted and to be held subject to the provisions of any amending or repealing act that may hereafter be passed. No recipient shall have any claim for compensation, or otherwise, by reason of his assistance being affected in any way by any amending or repealing act.

Subd. 4. [CONTINUING CONTRIBUTIONS TO FORMER RECIPIENT.] *The order for continuing support contributions shall remain in effect following the 90 day period after public assistance granted under sections 256.72 to 256.87 is terminated if:*

(a) *the former recipient files an affidavit with the court within 90 days of the termination of assistance requesting that the support order remain in effect;*

(b) *the public authority serves written notice of the filing by mail on the parent responsible for making the support payments at that parent's last known address and notice that the parent may move the court under section 518.64 to modify the order respecting the amount of support or maintenance; and*

(c) *the former recipient makes an application to use the public authority's collection services.*

Subd. 5. [ORDER FOR MODIFICATION.] In any order modifying the amount of support or maintenance under this section, the court may make the modification retroactive to the date public assistance was terminated or reinstated.

Subd. 6. [CHILD NOT RECEIVING ASSISTANCE.] A parent having custody of a dependent child not receiving assistance under sections 256.72 to 256.87 has a cause of action for child support against the child's absent parent. Upon an order to show cause and a motion served on the absent parent, the court shall order child support payments from the absent parent under chapter 518.

Sec. 3. [257.541] [CUSTODY AND VISITATION OF CHILDREN BORN OUTSIDE OF MARRIAGE.]

Subdivision 1. [MOTHER'S RIGHT TO CUSTODY.] The natural mother of a child born to a mother who was not married to the child's father neither when the child was born nor when the child was conceived has sole custody of the child until paternity has been established.

Subd. 2. [FATHER'S RIGHT TO VISITATION.] (a) If paternity has been acknowledged under section 257.34 and paternity has been established under sections 257.51 to 257.74, the father's rights of visitation or custody are determined under sections 518.17 and 518.175.

(b) If paternity has not been acknowledged under section 257.34 and paternity has been established under sections 257.51 to 257.74, the natural father may petition for rights of visitation or custody in a separate proceeding under section 518.156.

Sec. 4. Minnesota Statutes 1982, section 257.55, subdivision 1, is amended to read:

Subdivision 1. [PRESUMPTION.] A man is presumed to be the natural father of a child if:

(a) He and the child's natural mother are or have been married to each other and the child is born during the marriage, or within 280 days after the marriage is terminated by death, annulment, declaration of invalidity, dissolution, or divorce, or after a decree of legal separation is entered by a court;

(b) Before the child's birth, he and the child's natural mother have attempted to marry each other by a marriage solemnized in apparent compliance with law, although the attempted marriage is or could be declared void, voidable, or otherwise invalid, and,

(1) if the attempted marriage could be declared invalid only by a court, the child is born during the attempted marriage, or within 280 days after its termination by death, annulment, declaration of invalidity, dissolution or divorce; or

(2) if the attempted marriage is invalid without a court order, the child is born within 280 days after the termination of cohabitation;

(c) After the child's birth, he and the child's natural mother have married, or attempted to marry, each other by a marriage solemnized in apparent compliance with law, although the attempted marriage is or could be declared void, voidable, or otherwise invalid, and,

(1) he has acknowledged his paternity of the child in writing filed with (THE DISTRICT COURT OR) the state registrar of vital statistics;

(2) with his consent, he is named as the child's father on the child's birth certificate; or

(3) he is obligated to support the child under a written voluntary promise or by court order;

(d) While the child is under the age of majority, he receives the child into his home and openly holds out the child as his natural child; or

(e) He (ACKNOWLEDGES) and the child's natural mother acknowledge his paternity of the child in a writing signed by both of them under section 257.34 and filed with (THE DISTRICT COURT OR) the state registrar of vital statistics (, WHICH SHALL PROMPTLY INFORM THE MOTHER OF THE FILING OF THE ACKNOWLEDGMENT, AND SHE DOES NOT WITHIN A REASONABLE TIME AFTER BEING INFORMED THEREOF DISPUTE THE ACKNOWLEDGMENT IN A WRITING FILED WITH THE DISTRICT COURT OR THE STATE REGISTRAR OF VITAL STATISTICS). If another man is presumed under this clause to be the child's father, acknowledgment may be effected only with the written consent of the presumed father or after the presumption has been rebutted.

Sec. 5. Minnesota Statutes 1982, section 257.58, is amended to read:

257.58 [LIMITATION OF ACTIONS; EXCEPTIONS.]

Subdivision 1. [ACTIONS FOR CHILDREN WITHOUT A PRESUMED FATHER.] Except for (a) an action brought by or on behalf of a child whose paternity has not been de-

terminated, and (b) an action brought by the public authority responsible for child support enforcement, if a child is over three years old when he or she first receives public assistance in the state of Minnesota, an action to determine the existence of the father and child relationship as to a child who has no presumed father under section 257.55 may not be brought later than three years after the birth of the child, or later than three years after August 1, 1980, whichever is later. An action brought by or on behalf of a child whose paternity has not been determined is not barred until one year after the child reaches the age of majority. *If a child is over three years old when he or she first receives public assistance in the state of Minnesota, an action brought by the public authority responsible for child support enforcement is not barred until three years after the public assistance is first provided in this state.*

Subd. 2. [HEIRSHIP.] Section 257.57 and this section do not extend the time within which a right of inheritance or a right to a succession may be asserted beyond the time provided by law relating to distribution and closing of decedents' estates or to the determination of heirship, or otherwise.

Sec. 6. Minnesota Statutes 1982, section 257.59, subdivision 1, is amended to read:

Subdivision 1. [COURT JURISDICTION.] Except in Hennepin and Ramsey counties, the county court has jurisdiction of an action brought under sections 257.51 to 257.74. In Hennepin and Ramsey counties, the district court has jurisdiction of an action brought under sections 257.51 to 257.74. *The action may be joined with an action for dissolution, annulment, legal separation, custody under chapter 518, or reciprocal enforcement of support.*

Sec. 7. Minnesota Statutes 1982, section 257.60, is amended to read:

257.60 [PARTIES.]

The child may be made a party to the action. If the child is a minor and is made a party, a general guardian or a guardian ad litem shall be appointed by the court to represent the child. The child's mother or father may not represent the child as guardian or otherwise. (THE COURT MAY APPOINT THE COMMISSIONER OF PUBLIC WELFARE AS GUARDIAN AD LITEM FOR THE CHILD.) If the child is a minor and the case involves a compromise under section 257.64, subdivision 1 or a lump sum payment under section 257.66, subdivision 4, the child and the commissioner of public welfare shall each be made a party (AND THE COMMISSIONER OF PUBLIC WELFARE SHALL BE APPOINTED AS GUARDIAN AD LITEM) before the court approves a compromise or orders a lump sum

payment. The natural mother, each man presumed to be the father under section 257.55, and each man alleged to be the natural father, shall be made parties or, if not subject to the jurisdiction of the court, shall be given notice of the action in a manner prescribed by the court and shall be given an opportunity to be heard. *A person who may bring an action under section 257.57 may be made a party to the action.* The court may align the parties.

Sec. 8. Minnesota Statutes 1982, section 257.64, subdivision 1, is amended to read:

257.64. [PRE-TRIAL ORDERS AND RECOMMENDATIONS.]

Subdivision 1. On the basis of the information produced at the pretrial hearing, *including information as to the financial status of the parties*, the court may, and if requested by a party, shall (EVALUATE THE PROBABILITY OF DETERMINING THE EXISTENCE OR NONEXISTENCE OF THE FATHER AND CHILD RELATIONSHIP IN A TRIAL AND WHETHER A JUDICIAL DECLARATION WOULD BE IN THE BEST INTEREST OF THE CHILD. ON THE BASIS OF THE EVALUATION, AN APPROPRIATE RECOMMENDATION FOR SETTLEMENT SHALL BE MADE TO THE PARTIES, WHICH MAY INCLUDE ANY OF THE FOLLOWING):

(a) (THAT THE ACTION BE DISMISSED WITH OR WITHOUT PREJUDICE;)

((B)) *recommend* that the alleged father voluntarily acknowledge his paternity of the child *if the parties have agreed on a financial settlement;*

((C)) (b) *recommend* that the matter be compromised by an agreement among the alleged father, the mother, and the child, in which the father and child relationship is not determined but in which a defined economic obligation is undertaken by the alleged father in favor of the child and, if appropriate, in favor of the mother, subject to approval by the court. In reviewing the obligation undertaken by the alleged father in a compromise agreement, the court shall consider the best interest of the child, in the light of the applicable factors enumerated in section 518.17, subdivision 3, discounted by the improbability, as it appears to the court, of establishing the alleged father's paternity or nonpaternity of the child in a trial of the action. In the best interest of the child, the court may order that the alleged father's identity be kept confidential. In that case, the court may designate a person or agency to receive from the alleged father and disburse on behalf of the child all amounts paid by the alleged father in fulfillment of obligations imposed on him. When the child reaches 21 years of age or older he may petition the court to disclose the alleged father's identity. The

court shall grant the petition if after considering the interests of all known persons involved, the court determines that disclosure of the information would be of greater benefit than nondisclosure.

Sec. 9. Minnesota Statutes 1982, section 257.66, subdivision 3, is amended to read:

Subd. 3. [JUDGMENT; ORDER.] The judgment or order shall contain provisions concerning the duty of support, the custody (AND GUARDIANSHIP) of the child, the name of the child, visitation privileges with the child, the furnishing of bond or other security for the payment of the judgment, or any other matter in the best interest of the child. *Custody and visitation and all subsequent motions related to them shall proceed and be determined under section 3.* (THESE) *The remaining matters and all subsequent motions related to them shall proceed and be determined in accordance with chapter 518.* The judgment or order may direct the appropriate party to pay all or a proportion of the reasonable expenses of the mother's pregnancy and confinement, after consideration of the relevant facts, including the relative financial means of the parents; the earning ability of each parent; and any health insurance policies held by either parent, or by a spouse or parent of the parent, which would provide benefits for the expenses incurred by the mother during her pregnancy and confinement.

Sec. 10. Minnesota Statutes 1982, section 257.66, subdivision 4, is amended to read:

Subd. 4. [STATUTE OF LIMITATIONS.] Support judgments or orders ordinarily shall be for periodic payments which may vary in amount. In the best interest of the child, a lump sum payment may be ordered in lieu of periodic payments of support. The court shall limit the parent's liability for past support of the child to the proportion of the expenses that the court deems just, which were incurred in the (IMMEDIATE PRECEDING) two years *immediately preceding the commencement of the action.*

Sec. 11. Minnesota Statutes 1982, section 257.69, subdivision 2, is amended to read:

Subd. 2. [GUARDIAN; LEGAL FEES.] The court may order (REASONABLE COUNSEL,) expert (WITNESSES,) *witness and guardian ad litem fees (,)* and other costs of the trial and pre-trial proceedings, including appropriate tests, to be paid by the parties in proportions and at times determined by the court. The court shall require a party to pay part of the fees of court-appointed counsel according to the party's ability to pay, but if counsel has been appointed the appropriate agency shall pay the party's proportion of all other fees and costs. *The agency responsible for child support enforcement shall pay the fees and*

costs for blood tests in a proceeding in which it is a party, is the real party in interest, or is acting on behalf of the child. However, at the close of a proceeding in which paternity has been established under sections 257.51 to 257.74, the court shall order the adjudicated father to reimburse the public agency, if the court finds he has sufficient resources to pay the costs of the blood tests. When a party bringing an action is represented by the county attorney, no filing fee shall be paid to the clerk of court.

Sec. 12. Minnesota Statutes 1982, section 518.10, is amended to read:

518.10 [REQUISITES OF PETITION.]

The petition for dissolution of marriage or legal separation shall state and allege:

- (a) The name and address of the petitioner;
- (b) The name and, if known, the address of the respondent;
- (c) The place and date of the marriage of the parties;
- (d) In the case of a petition for dissolution, that either the petitioner or the respondent or both:
 - (1) Has resided in this state for not less than 180 days immediately preceding the commencement of the proceeding, or
 - (2) Has been a member of the armed services and has been stationed in this state for not less than 180 days immediately preceding the commencement of the proceeding, or
 - (3) Has been a domiciliary of this state for not less than 180 days immediately preceding the commencement of the proceeding;
- (e) The name, age and date of birth of each *living* minor or dependent child of the parties *born before the marriage or born or adopted during the marriage and a reference to, and the expected date of birth of, a child of the parties conceived during the marriage but not born;*
- (f) Whether or not a separate proceeding for dissolution, legal separation, or custody is pending in a court in this state or elsewhere;
- (g) In the case of a petition for dissolution, that there has been an irretrievable breakdown of the marriage relationship;

(h) In the case of a petition for legal separation, that there is a need for a decree of legal separation; and

(i) Any temporary or permanent maintenance, child support, child custody, disposition of property, attorneys' fees, costs and disbursements applied for without setting forth the amounts.

The petition shall be verified by the petitioner or petitioners, and its allegations established by competent evidence.

Sec. 13. Minnesota Statutes 1982, section 518.17, is amended by adding a subdivision to read:

Subd. 5. [DEVIATION FROM GUIDELINES.] The court shall not order the noncustodial parent to pay support in an amount below the appropriate amount determined from the guidelines in section 18 for use in public assistance cases unless the court makes express findings of fact as to the reason for the lower order.

Sec. 14. Minnesota Statutes 1982, section 518.551, subdivision 1, is amended to read:

SUBDIVISION 1. [(ORDER) PAYMENT TO PUBLIC AGENCY.] (WHENEVER AN OBLIGATION FOR SUPPORT OF A DEPENDENT CHILD OR MAINTENANCE OF A SPOUSE, OR BOTH, IN A PROCEEDING FOR DISSOLUTION OR LEGAL SEPARATION OR DETERMINATION OF PARENTAGE, HAS BEEN DETERMINED AND ORDERED BY A COURT OF THIS STATE, THAT COURT SHALL ORDER THE WITHHOLDING OF THE AMOUNT OF CHILD SUPPORT OR MAINTENANCE AS DETERMINED BY COURT ORDER, FROM THE INCOME, REGARDLESS OF SOURCE, OF THE PERSON OBLIGATED TO PAY THE SUPPORT OR MAINTENANCE. WHEN AN ORDER FOR WITHHOLDING HAS NOT PREVIOUSLY BEEN SECURED, THE OBLIGEE MAY OR THE PUBLIC AGENCY RESPONSIBLE FOR CHILD SUPPORT ENFORCEMENT SHALL MOVE THE COURT, AND THE COURT SHALL GRANT THE ORDER.)

(EACH ORDER SHALL PROVIDE THAT THE OBLIGOR'S EMPLOYER, TRUSTEE, OR OTHER PAYOR OF FUNDS SHALL WITHHOLD FROM THE OBLIGOR'S INCOME, REGARDLESS OF SOURCE, AN AMOUNT EQUAL TO THE COURT'S ORDER FOR SUPPORT OR MAINTENANCE.)

The court shall direct that all payments ordered for maintenance and support be made to the public agency responsible for child support enforcement so long as the obligee is receiving or has applied for public assistance. Amounts received by the public agency responsible for child support enforcement greater than the amount granted to the obligee shall be remitted to the obligee.

Sec. 15. Minnesota Statutes 1982, section 518.551, subdivision 5, is amended to read:

Subd. 5. [NOTICE TO PUBLIC AUTHORITY; *GUIDELINES.*] The petitioner shall notify the public authority of all proceedings for dissolution, legal separation, determination of parentage or for the custody of a child, if either party is receiving aid to families (OF) *with* dependent children or applies for it subsequent to the commencement of the proceeding. After receipt of the notice, (THE PUBLIC AUTHORITY SHALL RECOMMEND TO) the court (THE SUPPORT THAT IS PROPER AND ADEQUATE FOR THE CARE AND SUPPORT OF THE CHILD OR CHILDREN BEFORE THE ISSUANCE OF THE ORDER FOR JUDGMENT AND DECREE IN THE PROCEEDING.) *shall set child support by multiplying the obligor's net income by the percentage indicated by the following guidelines:*

Net Income Per Month of Obligor	Number of Children						
	1	2	3	4	5	6	7 or more
<i>\$400 and Below</i>	<i>Order based on the ability of the obligor to provide support at these income levels, or at higher levels, if the obligor has the earning ability.</i>						
\$401-500	14%	17%	20%	22%	24%	26%	28%
\$501-550	15%	18%	21%	24%	26%	28%	30%
\$551-600	16%	19%	22%	25%	28%	30%	32%
\$601-650	17%	21%	24%	27%	29%	32%	34%
\$651-700	18%	22%	25%	28%	31%	34%	36%
\$701-750	19%	23%	27%	30%	33%	36%	38%
\$751-800	20%	24%	28%	31%	35%	38%	40%
\$801-850	21%	25%	29%	33%	36%	40%	42%
\$851-900	22%	27%	31%	34%	38%	41%	44%
\$901-950	23%	28%	32%	36%	40%	43%	46%
\$951-1000	24%	29%	34%	38%	41%	45%	48%
\$1001 and over	25%	30%	35%	39%	43%	47%	50%

Net Income defined as:

Total monthly income less

** (1) Federal Income Tax*

** (2) State Income Tax*

(3) Social Security Deductions

(4) Mandatory Pension Deductions

(5) Union Dues

(6) Dependent Health Insurance Coverage

(7) Individual Health/Hospitalization Coverage or Medical Expense Deductions not to exceed \$25 a month.

**Standard Deductions apply—use of tax tables recommended*

(a) The child support payment guidelines take into consideration the following criteria:

(1) all earnings, income, and resources of the obligor including real and personal property;

(2) the basic living needs of the obligor;

(3) the financial needs of the child or children to be supported; and

(4) the amount of the aid to families with dependent children grant for the child or children.

(b) Debts owed to private creditors are not to be considered in establishing a support obligation.

(c) Previous support orders and alimony orders may be considered if the obligor is paying them.

(d) Nothing shall preclude the court from receiving evidence on the above factors to determine if the guidelines should be exceeded or modified in a particular case.

(e) The above guidelines are binding in each case unless the court makes express findings of fact as to the reason for departure from the guidelines in that case in which the court orders support that deviates from the guidelines.

Sec. 16. Minnesota Statutes 1982, section 518.551, subdivision 6, is amended to read:

Subd. 6. [FAILURE OF NOTICE.] If the court in a dissolution, legal separation or determination of parentage proceeding, finds before issuing the order for judgment and decree, that notification has not been given to the public authority, the court shall (ORDER THAT NOTIFICATION BE MADE AND SHALL NOT ISSUE ITS ORDER FOR JUDGMENT AND DECREE UNTIL THE PUBLIC AUTHORITY HAS MADE ITS RECOMMENDATIONS) *set child support according to the guidelines in section 15.* In those proceedings in which no notification has been made pursuant to this section and in which the public authority determines that the judgment is (NOT PROPER AND ADEQUATE FOR THE CARE AND SUPPORT OF THE CHILD OR CHILDREN) *lower than the child support required by the guidelines in section 15,* it (MAY) *shall move the court for a redetermination of the support payments ordered so that the support payments comply with the guidelines.*

Sec. 17. Minnesota Statutes 1982, section 518.551, is amended by adding a subdivision to read:

Subd. 8. [HEALTH INSURANCE OR PLAN.] *The court shall also include in the requirements for each child support order a provision naming the child as a beneficiary on whatever medical, hospitalization or dental insurance or plan is available to the obligor on a group basis through his or her employer or union.*

Sec. 18. Minnesota Statutes 1982, section 518.551, is amended by adding a subdivision to read:

Subd. 9. [ASSIGNMENT OF RIGHTS; JUDGMENT.] *The public agency responsible for child support enforcement is joined as a party in each case in which rights are assigned under section 1. When arrearages are reduced to judgment, the court shall grant judgment in favor of, and in the name of, the public agency to the extent that the arrearages are assigned. The public agency may enforce a judgment entered before the assignment of rights as if the judgment were granted to it, and in its name, to the extent that the arrearages in that judgment are assigned.*

Sec. 19. Minnesota Statutes 1982, section 518.611, is amended to read:

518.611 [(ASSIGNMENTS) INCOME WITHHOLDING.]

Subdivision 1. [ORDER.] Whenever an obligation for support of a dependent child or maintenance of a spouse, or both, (IN A PROCEEDING FOR DISSOLUTION OR LEGAL SEPARATION OR DETERMINATION OF PARENTAGE, HAS BEEN) is determined and ordered by a court of this state, that court shall order the withholding of the amount of child support or maintenance as determined by court order, from the income,

regardless of source, of the person obligated to pay the support or maintenance. When an order for withholding has not previously been secured, the obligee may or the public agency responsible for child support enforcement shall move the court, and the court shall grant the order.

Subd. 2. [NOTICE TO OBLIGOR OF CONDITIONS.] Each order for withholding shall provide for a conspicuous notice to the obligor that withholding may result if the obligor fails to make the maintenance or support payments, and that no withholding shall be made until the following conditions are met:

(a) The obligee or the public authority determines that the obligor is at least 30 days in arrears;

(b) The obligee or the public authority serves written notice of its determination of arrearage on the obligor at least 15 days before service of the determination and a copy of the court's order for withholding on the payor of funds;

(c) Within the 15 day period, the obligor has either failed to pay all arrearages or to move the court, under section 518.64, to modify the order respecting the amount of maintenance or support and, ex parte, to stay service on the payor of funds until the motion to modify is heard; and

(d) The obligee or the public authority serves a copy of the determination of arrearage and a copy of the court's withholding order on the payor of funds.

(e) The obligee shall also serve on the public authority a copy of the determination of arrearage, a copy of the court's withholding order and an application to use the public authority's collection services.

Subd. 3. [MODIFICATION ORDERS.] An order modifying the amount of maintenance or support, issued after the hearing on the motion to modify, shall provide that payments be made *outright* by withholding. *The provisions of subdivision 2 do not apply.*

Subd. 4. [EFFECT OF ORDER.] *Notwithstanding any law to the contrary*, the order is binding on the employer, trustee, or other payor of the funds upon service upon him of notice that it has been made. The payor shall withhold from the income payable to the obligor the amount specified in the order and shall monthly or more frequently remit the amounts withheld to the public authority. Amounts received by the public authority which are in excess of public assistance expended for the party or for a child shall be remitted to the party. An employer shall not discharge or otherwise discipline an employee as a result of a wage

or salary (ASSIGNMENT) *withholding* authorized by this section.

Subd. 5. [ARREARAGE ORDER.] Nothing in this section shall prevent the court from ordering the payor of funds to withhold amounts to satisfy the obligor's previous arrearage in child support or maintenance payments, the obligor's liability for pregnancy and confinement expenses and for blood test costs, and any service fees that may be imposed under section 518.551.

Subd. 6. [PRIORITY.] An order for withholding under this section or execution or garnishment upon a judgment for child support arrearages or preadjudicated expenses shall have priority over an attachment, execution, garnishment, or wage assignment unless otherwise ordered by the court and shall not be subject to the statutory limitations on amounts levied against the income of the obligor.

Subd. 7. [EMPLOYER EXPENSES.] An employer may deduct one dollar from the obligor-employee's remaining salary for each payment made pursuant to a withholding order under this section to cover the employer's expenses involved in the withholding.

Subd. 8. [EMPLOYER OR PAYOR NOTICE.] When a withholding order is in effect and the obligor's employment is terminated or the periodic payment terminates, the obligor's employer or the payor of funds shall notify the public agency responsible for child support enforcement of the termination within 30 days of the termination date. The notice shall include the obligor's home address and the name and address of the obligor's new employer or payor of funds, if known.

Sec. 20. Minnesota Statutes 1982, section 518.64, subdivision 2, is amended to read:

Subd. 2. [MODIFICATION.] The terms of a decree respecting maintenance or support may be modified upon a showing of one or more of the following: (1) substantially increased or decreased earnings of a party (OR); (2) substantially increased or decreased need of a party (,); (3) receipt of assistance under sections 256.72 to 256.87; or (4) a change in the cost-of-living for either party as measured by the federal bureau of statistics, any of which makes the terms unreasonable and unfair. On a motion for modification of support, the court shall take into consideration the needs of the children and the financial circumstances of the custodial parent's spouse, if any. A modification which decreases support or maintenance may be made retroactive only upon a showing that any failure to pay in accord with the terms of the original order was not willful. A modification which increases support or maintenance shall not be made retroactive if the obligor has substantially complied with the previous order. Except for an award of the right of occupancy of the home-

stead, provided in section 518.63, all divisions of real and personal property provided by section 518.58 shall be final, and may be revoked or modified only where the court finds the existence of conditions that justify reopening a judgment under the laws of this state. The court may impose a lien or charge on the divided property at any time while the property, or subsequently acquired property, is owned by the parties or either of them, for the payment of maintenance or support money, or may sequester the property as is provided by section 518.24.

Sec. 21. Minnesota Statutes 1982, section 518.64, is amended by adding a subdivision to read:

Subd. 2a. [SPECIAL PROVISION; COST-OF-LIVING ADJUSTMENT.] Cost-of-living increases pursuant to subdivision 2 for decrees entered into before August 1, 1983 shall be limited to 50 percent of the cost-of-living increase for periods of time before August 1, 1983. The remaining 50 percent of the increase may be implemented over a period of time as determined by the court.

Sec. 22. Minnesota Statutes 1982, section 518.64, subdivision 5, is amended to read:

Subd. 5. [FORM.] The department of public welfare shall prepare and make available to courts (AND), obligors and persons to whom child support is owed a form to be submitted by the obligor or the person to whom child support is owed in support of a motion for a modification of an order pursuant to this section or section 256.87. The (RULE MAKING) rulemaking provisions of chapter 14 shall not apply to the preparation of the form.

Sec. 23. [518.641] [COST-OF-LIVING ADJUSTMENTS IN CHILD SUPPORT ORDER.]

Subdivision 1. [REQUIREMENT.] An order for child support shall provide for a biennial adjustment in the amount to be paid based on a change in the cost-of-living. The order shall specify the cost-of-living index to be applied. The court may use the consumer price index for all urban consumers, Minneapolis-St. Paul (CPI-U), the consumer price index for wage earners and clerical, Minneapolis-St. Paul (CPI-W), or another cost-of-living index published by the department of labor which it specifically finds is more appropriate. The court may specify that the housing component be excluded from the cost-of-living adjustment. Cost-of-living increases under this section shall be compounded. It may also increase the amount by more than the cost-of-living adjustment by agreement of the parties or by making further findings. The adjustment becomes effective on the first of May of the year in which it is made. A court may waive the requirement of the cost-of-living clause if it expressly finds that the obligor's occupation or income, or both, does not pro-

vide for cost-of-living adjustment or that the order for child support has a provision such as a step increase that has the effect of a cost-of-living clause. The commissioner of public welfare may promulgate rules under this section in accordance with the rulemaking provisions of chapter 14.

Subd. 2. [CONDITIONS.] No adjustment under this section may be made unless the order provides for it and until the following conditions are met:

(a) the obligee or public authority serves notice of its application for adjustment by mail on the obligor at the obligor's last known address at least 20 days before the effective date of the adjustment;

(b) the notice to the obligor shall inform the obligor that an adjustment in payments shall become effective on the first of May; and

(c) after receipt of notice and before the effective day of the adjustment, the obligor fails to request a hearing on the issue of whether the adjustment should take effect, and ex parte, to stay imposition of the adjustment pending outcome of the hearing.

Subd. 3. [RESULT OF HEARING.] If, at a hearing pursuant to this section, the obligor establishes an insufficient cost of living or other increase in income that prevents fulfillment of the adjusted child support obligation, the court may direct that all or part of the adjustment not take effect. If, at the hearing, the obligor does not establish this insufficient increase in income, the adjustment shall take effect as of the date it would have become effective had no hearing been requested.

Subd. 4. [FORM.] The department of public welfare shall prepare and make available to the court and obligors a form to be submitted to the department by the obligor in support of a request for hearing under this section. The rulemaking provisions of chapter 14 shall not apply to the preparation of the form.

Subd. 5. [REQUEST FOR COST-OF-LIVING CLAUSE.] A motion for enforcement or modification of an existing child support order shall include a request for a cost-of-living clause. The court may deny the request only upon an express finding that the obligor's occupation, income, or both, does not provide for a cost-of-living adjustment or that the existing child support order either has a cost-of-living clause or sets forth a step increase which has the effect of a cost-of-living adjustment.

Sec. 24. Minnesota Statutes 1982, section 518.645, is amended to read:

518.645 [FORM OF ORDER.]

Unless otherwise ordered by the court, an order for withholding of support or maintenance payments issued (PURSUANT TO SECTIONS 256.872, SUBDIVISION 1, 518.551, SUBDIVISION 1, OR 518.611, SUBDIVISION 1,) *under this chapter* shall be substantially in the following form:

IT IS ORDERED THAT:

1. (THAT) The sum of _____ per _____, representing child support and/or spousal maintenance, ordered by the Court, shall be withheld from the (Husband/Wife/Respondent/Petitioner)'s income on _____ by (his/her) present employer or other payor of funds, and any future employer or other payor of funds, and shall be remitted (AT LEAST MONTHLY) to: _____, monthly or more frequently, in accordance with the provisions of Minnesota Statutes, Chapter 518. The file number above and the (EMPLOYEE'S) Obligor's name shall be included with each remittance.

2. (THAT) The parties are notified that CHILD SUPPORT AND/OR MAINTENANCE WILL BE WITHHELD FROM INCOME ONLY AFTER ALL OF THE FOLLOWING CONDITIONS HAVE BEEN MET:

(a) _____ or the Obligee determines that the Obligor is at least thirty days in arrears in the payment of child support and/or spousal maintenance;

(b) _____ or the Obligee serves written notice on the Obligor of its determination that child support and/or maintenance payments are thirty days in arrears;

(c) Within fifteen days after service of the notice, the Obligor either fails to pay all past due payments or to move the Court, Minnesota Statutes, Section 518.64, to modify the order respecting the amount of child support and/or spousal maintenance and, ex parte, to stay service of withholding on the employer or other payor of funds until the motion to modify is heard; and

(d) Not sooner than fifteen days after service of written notice in paragraph (b) on the Obligor, _____ or the Obligee serves a copy of its determination of a thirty-day delinquency and a copy of the Court's withholding order on the employer or other payor of funds, who will then be obligated to withhold payments from income and forward the amount withheld to _____.

3. (THAT) The parties and the employer or other payor of funds are further notified that NO EMPLOYER MAY DISCHARGE, SUSPEND, OR OTHERWISE PENALIZE OR DISCIPLINE AN EMPLOYEE BECAUSE THE EMPLOYER MUST WITHHOLD SUPPORT OR MAINTENANCE MONEY. Minnesota Statutes, (SECTIONS 256.873 AND 518.611, SUBDIVISION 4. A VIOLATION OF THIS PROVISION IS A MISDEMEANOR. MINNESOTA STATUTES,) section (256.-878) 518.611.

4. (THAT, IN THE EVENT) If the Obligee (PERFORMS SERVICE ON) serves the employer or other payor of funds under paragraph 2(d), the Obligee shall also serve the determination and order (SHALL ALSO BE SERVED) on , together with an application to use collection services.

5. (THAT) Service of this Order shall be

Sec. 25. Minnesota Statutes 1982, section 518B.01, subdivision 2, is amended to read:

Subd. 2. [DEFINITIONS.] As used in this section, the following terms shall have the meanings given them:

(a) "Domestic abuse" means: (i) physical harm, bodily injury, assault, or the infliction of fear of imminent physical harm, bodily injury or assault, between family or household members; or (ii) criminal sexual conduct, within the meaning of sections 609.342, 609.343, 609.344, or 609.345, committed against a minor family or household member by an adult family or household member;

(b) "Family or household members" means spouses, parents and children, persons related by consanguinity, persons who have a child in common regardless of whether they have been married or have lived together at any time, and persons jointly residing in the same dwelling unit.

Sec. 26. Minnesota Statutes 1982, section 518B.01, subdivision 6, is amended to read:

Subd. 6. [RELIEF BY THE COURT.] Upon notice and hearing, the court may provide relief as follows:

(a) Restrain any party from committing acts of domestic abuse;

(b) Exclude the abusing party from the dwelling which the parties share or from the residence of the petitioner;

(c) On the same basis as is provided in chapter 518, award temporary custody or establish temporary visitation with regard to minor children of the parties;

(d) On the same basis as is provided in chapter 518, establish temporary support for minor children or a spouse, *and order the withholding of support from the income of the person obligated to pay the support according to chapter 518*;

(e) Provide counseling or other social services for the parties, if married, or if there are minor children;

(f) Order the abusing party to participate in treatment or counseling services;

(g) Order, in its discretion, other relief as it deems necessary for the protection of a family or household member, including orders or directives to the sheriff or constable, as provided by this section.

Any relief granted by the order for protection shall be for a fixed period not to exceed one year.

Sec. 27. Minnesota Statutes 1982, section 518C.17, subdivision 1, is amended to read:

Subdivision 1. [ISSUANCE OF ORDER.] If the responding court finds a duty of support, it may order the obligor to furnish support or reimbursement therefor and subject the property of the obligor to the order. Support orders made under sections 518C.01 to 518C.36 shall require that payments be made as the responding court directs *and the responding court shall order support payments under chapter 518*. The court and the prosecuting attorney of a county in which the obligor is present or has property have the same powers and duties to enforce the order as have those of the county in which it was first issued. If enforcement is impossible, or cannot be completed in the county in which the order was issued, the prosecuting attorney shall send a certified copy of the order to the prosecuting attorney of a county in which it appears that the proceedings to enforce the order would be effective. The prosecuting attorney to whom the certified copy of the order is forwarded shall proceed with enforcement and report the results of the proceedings to the court first issuing the order.

Sec. 28. Minnesota Statutes 1982, section 518C.33, subdivision 1, is amended to read:

Subdivision 1. [OBLIGEE AND OBLIGOR (IN DIFFERENT COUNTIES) BOTH IN THIS STATE.] Sections 518C.01 to 518C.36 apply if both the obligee and the obligor are in this state (BUT IN DIFFERENT COUNTIES).

Sec. 29. Minnesota Statutes 1932, section 548.09, is amended to read:

548.09 [LIEN OF JUDGMENT.]

Subdivision 1. [DOCKETING; SURVIVAL OF JUDGMENT.] Every judgment requiring the payment of money, including a judgment or decree of dissolution or separate maintenance, a determination of parentage, an order under the reciprocal enforcement of support act, or an order under section 256.87, any of which provide for installment or periodic payments of child support, spousal maintenance, or both, shall be docketed by the clerk upon (THE) its entry (THEREOF, AND,). Upon a transcript of (SUCH) the docket being filed with the clerk in any other county, (SUCH) the clerk shall also docket (THE SAME) it. From the time of (SUCH) docketing the judgment (SHALL BE) is a lien, (TO) in the amount unpaid (THEREON), upon all real property in the county then or thereafter owned by the judgment debtor. (SUCH) The judgment (SHALL SURVIVE) survives, and the lien (THEREOF CONTINUE) continues, for (THE PERIOD OF) ten years (NEXT) after its entry (, AND NO LONGER).

Subd. 2. [JUDGMENT CREDITOR'S AFFIDAVIT.] No judgment, except for taxes, shall be docketed until the judgment creditor, or his agent or attorney, (SHALL HAVE) has filed with the clerk an affidavit, stating the full name, occupation, place of residence, and post office address of the judgment debtor, to the best of affiant's information and belief (; AND,). If (SUCH) the residence (BE) is within an incorporated place having more than 5,000 inhabitants, the street number of both his place of residence and place of business, if he (HAVE) has one, shall be stated.

Subd. 3. [VIOLATIONS BY CLERK.] If the clerk (SHALL VIOLATE) violates this provision, neither the judgment nor the docketing (THEREOF SHALL BE) is invalid (, BUT HE SHALL BE LIABLE TO ANY PERSON DAMAGED THEREBY IN THE SUM OF \$5).

Sec. 30. [543.20] [PERSONAL JURISDICTION IN SUPPORT ENFORCEMENT CASES AND PATERNITY SUITS.]

Subdivision 1. [SERVICE.] In addition to the methods of service of process provided in the rules of civil procedure, service of a summons, an order to show cause, or an order or judgment within this state may also be made upon an individual by delivering a copy to him or her personally at his or her place of employment. The employer shall make the individual available for the purpose of delivering a copy. No employer shall deny a process server admittance to the employer's premises for the purpose of making service under this section.

No service shall be allowed under this section unless such service is made personally on the individual.

Subd. 2. [APPLICABILITY.] Service at a place of employment applies only to: (a) summons in an action for dissolution, amendment, legal separation, or under the parentage act and under section 256.87; (b) orders to show cause under both section 256.87 and the revised uniform reciprocal enforcement of support act as well as for contempt of court for failure to pay child support; (c) petitions under the domestic abuse act; and (d) motions, orders and judgments for the payment of child support when the court orders personal service.

Subd. 3. [RETRALIATION PROHIBITED.] An employer shall not discharge or otherwise discipline an employee as a result of service under this section.

Sec. 31. [REPEALER.]

Minnesota Statutes 1982, sections 256.87, subdivision 2; 256.872; 256.873; 256.876; and 518.551, subdivisions 2, 3, and 4 are repealed.

Sec. 32. [EFFECTIVE DATE.]

Sections 15, 16, and 23 are effective August 1, 1983. The rest of this act is effective the day following final enactment.

Delete the title and insert:

“A bill for an act relating to welfare; changing laws relating to child support enforcement; providing for determination of paternity; providing for determination and modification of child support; amending Minnesota Statutes 1982, sections 256.74, by adding a subdivision; 256.87; 257.55, subdivision 1; 257.58; 257.59, subdivision 1; 257.60; 257.64, subdivision 1; 257.66, subdivisions 3 and 4; 257.69, subdivision 2; 518.10; 518.17, by adding a subdivision; 518.551, subdivisions 1, 5, and 6, and by adding subdivisions; 518.611; 518.64, subdivisions 2 and 5, and by adding a subdivision; 518.645; 518B.01, subdivisions 2 and 6; 518C.17, subdivision 1; 518C.33, subdivision 1; and 548.09; proposing new law coded in Minnesota Statutes, chapters 257, 518, and 543; repealing Minnesota Statutes 1982, sections 256.87, subdivision 2; 256.872; 256.873; 256.876; and 518.551, subdivisions 2, 3, and 4.”

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

The report was adopted.

Jacobs from the Committee on Regulated Industries to which was referred:

H. F. No. 779, A bill for an act relating to liquor; authorizing the city of Roseau to issue one on-sale license to an Eagles Club.

Reported the same back with the following amendments:

Page 1, line 7, delete everything after "Notwithstanding"

Page 1, line 8, delete everything through "or"

Page 1, line 9, after "one" insert "club"

Page 1, line 10, delete "located"

Page 1, line 10, delete "shall be" and insert "is"

Page 1, line 13, delete "shall"

Page 1, after line 13, insert:

"Sec. 2. [KARLSTAD ON-SALE LICENSE.]

Notwithstanding any law to the contrary, the city of Karlstad may issue one club on-sale intoxicating liquor license to an Eagles Club within the city. The fee is that required by section 340.11, subdivision 11, and all other provisions of chapter 340 not inconsistent with this section apply to the license."

Page 1, line 14, delete "2" and insert "3"

Page 1, after line 16, insert "Section 2 is effective upon approval by the Karlstad city council and compliance with Minnesota Statutes, section 645.021."

Amend the title:

Page 1, line 2, delete "city" and insert "cities"

Page 1, line 2, after "Roseau" insert "and Karlstad"

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

The report was adopted.

Voss from the Committee on Energy to which was referred:

H. F. No. 828, A bill for an act relating to energy; providing an omnibus energy policy; appropriating money; amending Minnesota Statutes 1982, sections 116J.27, subdivisions 2, 6, and by adding a subdivision; 116J.31; 116J.36; 453.54, by adding a subdivision; proposing new law coded in Minnesota Statutes, chapters 116J and 216B; repealing Minnesota Statutes 1982, section 116J.27, subdivisions 5 and 7.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1982, section 16.02, is amended by adding a subdivision to read:

Subd. 29. To contract to purchase by installment payments capital or other equipment or services intended to improve the energy efficiency of a state building or facility provided that:

(a) *the term of the contract does not exceed five years;*

(b) *the contract for purchase is based on a competitive basis;*
and

(c) *the state may unilaterally cancel the agreement if the legislature fails to appropriate funds to continue the contract.*

Sec. 2. [116J.371] [SURVEY OF STEAM TRAPS.]

The commissioner shall survey the steam traps in 100 state-owned buildings, to be selected by the commissioner of administration or his or her designee. The purpose of the survey is to assess the energy efficiency of current steam traps and to recommend repair or replacement of faulty steam traps.

Sec. 3. [116J.372] [ENERGY MANAGEMENT TRAINING PROGRAM.]

The commissioner shall establish a program to train state building operators in efficient energy management of state buildings. The commissioner shall document the energy savings from this program and make it available for use in other program areas, such as in local government buildings. To the maximum reasonable extent the commissioner shall make available to the private sector energy saving results, training techniques and program teaching materials developed during the energy management training program.

Sec. 4. [116J.38] [BUILDING ENERGY RESEARCH CENTER.]

Subdivision 1. [ENERGY IMPROVEMENT GOALS.] To improve the energy efficiency of buildings, the commissioner shall administer a building energy research center that shall be a cooperative effort among the department of energy, planning and development or its successor agency, the university of Minnesota, area vocational technical institutes, and certain associations and businesses from the private sector. The center's goal is to become a nationally recognized center for building research.

Subd. 2. [PURPOSE.] The purpose of the building energy research center is to:

- (a) conduct studies of actual Minnesota building experience;*
- (b) disseminate information acquired relating to building energy efficiency;*
- (c) conduct continuing education courses;*
- (d) provide limited energy and design consultation services for innovative projects;*
- (e) coordinate and stimulate research efforts; and*
- (f) seek private sector pledges to match the appropriation for this program as provided in section 19.*

Subd. 3. [SUPERINSULATED HOME DEMONSTRATION PROJECT.] The superinsulated home demonstration project funded under Laws 1981, chapter 356, section 30 shall be continued under the direction of the commissioner and the center to monitor and document new projects and projects in progress. The project shall:

- (a) work with the financial community to bring energy cost and savings into mortgage underwriting standards; and*
- (b) develop a definition of superinsulation for use by financial institutions.*

Sec. 5. Minnesota Statutes 1982, section 116J.27, subdivision 2, is amended to read:

Subd. 2. For the purposes of subdivisions 3 to 7, the following terms shall have the meanings given them.

- (a) "Residence" means any dwelling for habitation either seasonally, meaning all or a portion of the months of December through March, or permanently by one or more persons. A residence (MAY BE OWNED OR RENTED AND) may be part of*

a multi-dwelling or multi-purpose building, but shall not include buildings such as hotels, hospitals, motels, dormitories, sanitariums, nursing homes, schools and other buildings used for educational purposes, or correctional institutions. A manufactured home as defined in section 168.011, subdivision 8, shall be a residence for purposes of this section.

(b) ("TIME OF SALE" MEANS THE TIME WHEN A WRITTEN PURCHASE AGREEMENT IS EXECUTED BY THE BUYER, OR, IN THE ABSENCE OF A PURCHASE AGREEMENT, AT THE TIME OF THE EXECUTION OF ANY DOCUMENT PROVIDING FOR THE CONVEYANCE OF A RESIDENCE.)

((C) "ENERGY DISCLOSURE REPORT" MEANS THE WRITTEN AND SIGNED EVALUATION BY A PERSON CERTIFIED PURSUANT TO SUBDIVISION 6 MADE ON AN APPROVED FORM, REPRESENTING TO THE ACTUAL BUYER OF THE RESIDENCE EVALUATED THAT THE EVALUATOR HAS USED REASONABLE CARE AND DILIGENCE. FOR PURPOSES OF SUBDIVISIONS 5 AND 7, A RESIDENTIAL ENERGY AUDIT MEETING THE AUDIT STANDARDS OF 42 U.S.C. 8211 ET SEQ. MAY BE SUBSTITUTED FOR AN ENERGY DISCLOSURE REPORT.)

((D)) "Applicable energy efficiency standards" means those standards established under subdivision 1 which are not shown to be economically infeasible for the building in question.

Sec. 6. Minnesota Statutes 1982, section 116J.27, subdivision 6, is amended to read:

Subd. 6. [BUILDING EVALUATORS.] The commissioner shall certify evaluators in each county of the state who are qualified to determine the compliance of a residence with applicable energy (DISCLOSURE REQUIREMENTS) *efficiency standards*. The commissioner shall, by rule pursuant to chapter 14, adopt standards for the certification and performance of evaluators and set a fee for the certification of evaluators which is sufficient to cover the ongoing costs of the program once it is established. The commissioner shall encourage the certification of existing groups of trained municipal personnel and qualified individuals from community-based organizations and public service organizations. Each certified evaluator shall, on request of the owner, inspect any residence and report the degree to which it complies with applicable energy (DISCLOSURE REQUIREMENTS) *efficiency standards established pursuant to subdivision 3*. The inspections shall be made within 30 days of the request. After July 1, 1981, evaluators (FOR THE HOME ENERGY DISCLOSURE PROGRAM) shall be certified only if they also meet all requirements for conducting residential energy audits pursuant to 42 U.S.C. 8211 et seq. (ANY PERSON CERTIFIED AS A BUILDING EVALUATOR PRIOR TO

JULY 1, 1981, SHALL, BY JANUARY 1, 1982, MEET THE UPGRADED CERTIFICATION STANDARDS IN EFFECT AFTER JULY 1, 1981.) The commissioner shall enter into an agreement with the department of education for the provision of evaluator training through the area vocational technical institutes. The commissioner may contract with the area vocational technical institutes to reduce the training costs to the students. The commissioner may eliminate the examination fee for persons seeking upgraded certificates. The commissioner may also establish requirements for continuing education, periodic recertification, and revocation of certification for evaluators.

Sec. 7. Minnesota Statutes 1982, section 116J.27, is amended by adding a subdivision to read:

Subd. 9. The commissioner shall develop and implement a voluntary home energy rating system for the purpose of providing the buyer of a home with information indicating the predicted energy performance of the dwelling. Development of the rating system shall incorporate the comments and opinions of relevant private sector interests. The system shall be available for use by January 1, 1985.

Sec. 8. Minnesota Statutes 1982, section 116J.31, is amended to read:

116J.31 [ENERGY AUDITS.]

The commissioner, in cooperation with the director of consumer services, shall develop (THE) and administer state (PLAN FOR THE PROGRAM) programs of energy audits of residential and commercial buildings including those required by 42 United States Code, Section 8211 et seq. and section 8281. The consumer services division and the attorney general are authorized to release information on consumer complaints about the operation of the program to the commissioner.

Sec. 9. Minnesota Statutes 1982, section 116J.24, is amended by adding a subdivision to read:

Subd. 6. [OUTREACH FOR ENERGY AUDIT INTERPRETATION.] The commissioner shall establish a program to assist school officials in the understanding of energy audits performed on their schools. The program will also provide suggestions and assistance in the application for any state or federal grants or loans relating to energy conservation for which the school may be eligible.

Sec. 10. Minnesota Statutes 1982, section 116J.36, is amended to read:

116J.36 [DISTRICT HEATING GRANTS AND LOANS.]

Subdivision 1. [POLICIES.] Developing and improving efficient and economical district heating systems is a public purpose for state and local financing and a proper function of state and local government. Climate and geography make a reliable, economic supply of energy essential for industrial, commercial, and residential heating. Imported supplies are increasingly costly, unreliable, and environmentally disadvantageous. District heating systems employing cogeneration techniques and innovative technology offer an important means of increasing the efficiency of Minnesota's energy systems and reducing the state's reliance on imported energy supplies. The combination of the large initial capital cost and investors' lack of familiarity with district heating has made the private market reluctant to provide the necessary capital for district heating projects. As a result, public leadership, cooperation, and aid are needed to demonstrate the feasibility of district heating systems by establishing economically viable municipal district heating systems as demonstration projects. Municipal district heating systems may be financed by loans from the state and from other sources available to municipalities.

Subd. 2. [DEFINITIONS.] In this section:

(a) "Construction costs" means all costs associated with the construction, modification or expansion of a district heating system except for preliminary planning costs and detailed design costs. Construction costs include the cost of debt service from the time a construction loan is made until five years after the beginning of the operation of the district heating system constructed or the part of the system being modified or expanded.

(b) "District heating" means the use of a central energy conversion facility to produce hot water or steam for a district heating system. District heating facilities may also produce electricity in addition to hot water or steam.

(c) "Municipality" means any county, city, town, municipal power agency, or public utility, as defined in section 452.01, subdivision 3, owned and operated by a city, however organized or nonprofit corporation organized pursuant to the provisions of chapter 317 whose membership is limited to the mayor and governing body of the city in which the district heating system is located.

(d) "District heating system" means any existing or proposed facility for (1) the production, through cogeneration or otherwise, of hot water or steam to be used for district heating, or (2) the transmission and distribution of hot water or steam for district heating either directly to heating consumers or to another facility or facilities for transmission and distribution, or (3) any part or combination of the foregoing facilities.

Subd. 3. [ELIGIBILITY.] The commissioner of finance, upon request of the governor, may make loans to municipalities for the acquisition, construction, expansion, or modification of district heating systems. A loan shall be made only to a municipality that has demonstrated that:

(a) The municipality has the financial capability to sponsor the project;

(b) The project is technologically feasible;

(c) The district heating project will become a cogeneration facility or the project will utilize hot water or, if the project involves an existing district steam heating system, the project will become integrated with a hot water district heating system, or the project will allow the use of nonpetroleum fuels or will construct an efficient heat transmission system; and

(d) The municipality has made adequate provision to assure proper and efficient operation and maintenance of the project after construction is completed.

Subd. 3a. [GRANT ELIGIBILITY.] The commissioner of energy, planning and development may provide planning grants to municipalities for planning related to the development of district heating systems. The municipality must demonstrate that a community heatload survey and map have been successfully completed, that potential district heating load is sufficiently large to justify further consideration, and that sufficient resources are available for the municipality to meet its financial requirements. Eligible planning grant costs include project definition, development of preliminary financing and distribution system plans, and obtaining commitment for detailed planning or design and preparation of a final report. The amount of a grant shall be limited to 50 percent of eligible planning costs and shall not exceed \$25,000.

Subd. 4. [PRIORITIES.] The commissioner of energy, planning and development shall give higher priority to a project that does more to achieve the following goals:

(a) The district heating conversion facility employs cogeneration techniques;

(b) The facility uses renewable or nonpetroleum sources of energy;

(c) The district heating facility will save petroleum or natural gas;

(d) The operation of the district heating facility will not have an adverse impact on the environment;

(e) The district heating facility may readily be expanded to serve additional customers or to supply additional amounts of energy, and market demand for the energy exists;

(f) The project has obtained additional financing from the federal government, private sources, or other sources of capital; and

(g) Other goals the commissioner of energy, planning and development finds desirable for district heating systems.

Subd. 5. [APPLICATION.] Application for a loan to be made pursuant to subdivision 6 shall be made by a municipality to the commissioner of energy, planning and development on a form prescribed by the commissioner of energy, planning and development by rule. The commissioner of energy, planning and development shall review each application and determine:

- (a) Whether or not the project is eligible for a loan;
- (b) The priority of the project when ranked with all other eligible projects for which a loan application has been submitted;
- (c) The total estimated cost of the project;
- (d) The amount of the loan for which the project is eligible;
- (e) The terms upon which the loan would be made; and
- (f) The means by which the municipality proposes to finance the project, including:
 - (1) A loan authorized by state law; or
 - (2) A grant of money appropriated by state law; or
 - (3) A grant to the municipality by an agency of the federal government within the amount of money then appropriated to that agency and allocated by it to projects within the state; or
 - (4) The appropriation of proceeds of bonds or other money of the municipality to an account for the construction of the project; or
 - (5) User charges, franchise fees, special assessments or taxes; or
 - (6) Any or all of the means referred to in clauses (1) to (5).

Subd. 6. [LOANS.] Upon the recommendation of the governor pursuant to subdivision 8, the commissioner of finance shall make loans to municipalities on the following terms:

(a) In the case of loans for design costs, the maximum amount of the loan shall be limited by the provisions of this clause. For cities of the first class, the amount of the loan shall not exceed 40 percent of the design costs. For cities of the second, third and fourth class, the amount of the loan shall not exceed 90 percent of the design costs;

(b) In the case for loans for construction costs, a municipality must demonstrate that all design activities have been completed; that the project is economically and technologically feasible; that the district heating system will be constructed, and that it has made adequate provisions to assure proper and efficient operation and maintenance of the project. For cities of the first class, the amount of the loan shall be up to 50 percent of the construction costs. For cities of the second class, the amount of the loan shall be up to 80 percent of the construction costs. For cities of the third or fourth class, the amount of the loan shall be up to 90 percent of the construction costs.

(c) A loan made pursuant to this section is repayable over a period of 20 years, with interest payments beginning the first year. Interest shall accrue from the date of the loan at a rate of interest assigned at the date of loan commitment. Principal payments shall begin in the sixth year after the receipt of the loan on a 25 year level payment schedule with the balance of the principal to be retired with the payment due 20 years after receipt of the loan.

Subd. 7. [MODERN STEAM SYSTEMS.] (a) A municipality which has operating within its boundaries a modern steam district heating system owned by a district heating utility may apply for a loan or grant under this section even though the district heating project for which the loan or grant application is made may be planned, constructed, or owned by a district heating utility. The loan or grant application shall be treated in the same manner as loan or grant applications for district heating projects where the projects are to be planned, constructed, or owned by a municipality.

All or a portion of the proceeds of a loan made to a municipality described in this subdivision may be used to make loans to a district heating utility to provide financial assistance for the planning, modification, expansion or construction of a district heating project. Prior to making the loan to the district heating utility, the municipality shall:

(1) Adopt a district heating plan which identifies the areas of the city to be served by district heating; a time schedule indi-

cating when service would be available in different areas of the city and the type of service to be offered; and

(2) Enter into a written agreement with the district heating utility which includes a requirement that the district heating utility restrict expansion of its existing steam system within its current geographic boundaries as determined by the municipality and develop a hot water system on a specific time schedule.

(b) The powers, authority and obligations granted to a municipality under this subdivision are supplemental to the powers, authority and obligations granted all municipalities under this section.

(c) As used in this subdivision, "modern steam district heating system" means a steam district heating system with condensate return built after 1970 and before May 30, 1981. "District heating utility" means any person, corporation, or other legal entity which owns or operates or plans to own or operate a district heating system. "District heating project" means a new district heating system, or the expansion or modification of the existing modern steam district heating system.

Subd. 8. [LOAN APPROVAL.] The commissioner of energy, planning and development shall prepare and submit to the legislative advisory commission a list of district heating loan requests. The list shall contain the supporting information required by subdivisions 3, 4, 5, 6, and 7. The recommendation of the legislative advisory commission shall be transmitted to the governor. The governor shall approve or disapprove, or return for further consideration, each project recommended for approval by the legislative advisory commission. Loans may be disbursed only upon approval by the governor.

Subd. 9. [PAYMENT; OBLIGATION.] The commissioner of finance shall not pay money to a municipality pursuant to an approved loan until he has determined that:

(a) Financing of the project as proposed by the municipality is assured by an irrevocable undertaking, by resolution of the governing body of the municipality, to use all money made available by the financing plan exclusively for the eligible costs of the project, and to pay any additional amount by which the cost of the project exceeds the estimate by the appropriation to the construction account of additional municipal money or the proceeds of additional bonds to be issued by the municipality; and that

(b) The governing body of the municipality has adopted a resolution obligating the municipality to repay the loan according to the terms in the loan. The obligation may be payable from user charges, franchise fees, special assessments or other money available to the municipality. The resolution shall obligate the

municipality to annually impose and collect user charges, franchise fees, special assessments, or to use any other money available to it from any other specified source, in amounts and at times that if collected in full will annually produce at least five percent in excess of the amount needed for all annual costs of the system, including annual repayment on state loans. A municipality may also pledge to levy an ad valorem tax to guarantee the payments under the loan agreement. For the purpose of repaying the loan, the municipality by resolution of its governing body may fix the rates and charges for district heating system service and products may enter into contracts for the payment by others of costs of construction, maintenance, and use of the project in accordance with section 444.075 and may pledge the revenues derived therefrom. The commissioner of finance shall condition a loan upon the establishment of rates and charges or the execution of contracts sufficient to produce annually the revenues pledged for repayment of all annual costs of the system, including annual repayment of the state loan.

Subd. 10. [RECEIPTS.] All principal and interest payments received by the commissioner of finance in repayment of the loans authorized by this section shall be deposited in the state treasury and credited to the state bond fund and are appropriated to the commissioner of finance for the purposes of that account.

Subd. 11. [RULES.] The commissioner of energy, planning and development shall adopt rules necessary to carry out this section. The commissioner of energy, planning and development shall adopt temporary rules pursuant to sections 14.29 to 14.36, meeting the requirements of this section. The rules shall contain as a minimum:

- (a) Procedures for application by municipalities; and
- (b) Criteria for reviewing grant and loan applications.

Sec. 11. Minnesota Statutes 1982, section 156A.02, subdivision 6, is amended to read:

Subd. 6. For the purposes of sections 156A.02 to 156A.10 "groundwater thermal exchange device" means any (SPACE) 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.

Sec. 12. Minnesota Statutes 1982, section 156A.10, subdivision 1, is amended to read:

Subdivision 1. Notwithstanding any department or agency rule to the contrary, the department of health shall issue, upon request 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 (EXCLUSIVELY) for the operation of a groundwater thermal exchange device. Withdrawal and reinjection shall be accomplished by means of a closed system in which the waters drawn for thermal exchange shall have no contact or commingling with water from other sources or with any polluting material or substances and so constructed as to allow opening for inspection by the department. *Wells that are part of a groundwater thermal exchange system shall serve no other function, except that 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 which is at least twice the effective diameter of the water outlet from 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.* As a condition of the permit, an applicant shall agree to allow inspection by the department 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, which shall be subject to inspection twice annually. A maximum of ten permits shall be issued for larger systems having maximum capacities from 20 to 50 gallons per minute, which shall be subject to inspection four times per year. The department may by rule provide for administration of this section.

Sec. 13. Minnesota Statutes 1982, section 216B.164, subdivision 2, is amended to read:

Subd. 2. [APPLICABILITY.] This section as well as any rules promulgated by the commission (PURSUANT) to *implement this section or the public utility regulatory policies act of 1978, Pub.L. 95-617, 92 Stat. 3117, and the federal energy regulatory commission regulations thereunder; 18 C.F.R. Part 292,* shall apply to all Minnesota electric utilities, including cooperative electric associations and municipal electric utilities (**THAT BECOME INTERCONNECTED WITH ANY QUALIFYING FACILITY AS DEFINED IN 18 C.F.R. SECTION 292.101(B) (1).** *Notwithstanding any other provision contained in this chapter to the contrary, for the purposes of this section the terms "utility" and "electric utility" shall include municipal utilities and cooperative electric associations as well as public utilities as defined in section 216B.02, subdivision 4.*

Sec. 14. Minnesota Statutes 1982, section 216B.164, subdivision 5, is amended to read:

Subd. 5. [DISPUTES.] In the event of disputes between an electric utility and a qualifying facility, either party may request a determination of the issue by the commission. In any such determination, the burden of proof shall be on the utility, *except as otherwise expressly provided in this section. The commission in its order resolving each such dispute shall require payments to the prevailing party of the prevailing party's costs, disbursements and reasonable attorneys' fees, except that the qualifying facility will be required to pay such costs, disbursements and attorneys' fees of the utility only if the commission finds that the claims of the qualifying facility in the dispute have been made in bad faith, or are a sham, or frivolous.*

Sec. 15. Minnesota Statutes 1982, section 216B.164, is amended by adding a subdivision to read:

Subd. 9. [MUNICIPAL ELECTRIC UTILITIES.] *As this section applies to municipal electric utilities in this section only, commission shall mean the governing body of each municipal electric utility that adopts and has in effect rules implementing this section, which are consistent with the rules of the Minnesota public utilities commission adopted pursuant to subdivision 6, except for subdivisions 5 and 7 in which case commission shall mean the Minnesota public utilities commission. As used in this subdivision, the governing body of a municipal electric utility means the city council, or, if another board, commission, or body is empowered by law or its charter or by resolution of the city council to establish and regulate rates and charges for the distribution of electric energy within the service area of the city, such board, commission, or body shall be deemed to be the governing body.*

Sec. 16. [216B.242] [INVERTED RATES.]

The commission shall initiate a demonstration program on the conservation effects of inverted rates on the residential customers of natural gas utilities. The commission shall order at least one public gas utility to implement inverted rates for its residential customers for a period of two years, and to monitor the effects of these rates on gas consumption, and on costs to residential customers. The inverted rate rules and monitoring plans shall be prepared in consultation with, and with the approval of, the energy division of the Minnesota department of energy, planning and development or its successor. The commission shall report its findings and recommendations regarding the demonstration program to the governor and the legislature not later than January 1, 1986.

Sec. 17. Minnesota Statutes 1982, section 216B.38, is amended to read:

216B.38 [DEFINITIONS.]

Subdivision 1. For the purpose of (SECTIONS) section 216B.37 to (216B.44) section 22 only, the following (DEFINITIONS SHALL APPLY) terms have the meanings given them in this section.

Subd. 1a. [PERSON.] "Person" means a natural person, a partnership, a private corporation, a public corporation, a municipality, an association, a cooperative whether incorporated or not, a joint stock association, a business trust, (ANY) a political subdivision or agency, or two or more persons having a joint or common interest.

Subd. 2. [CUSTOMER.] "Customer" means a person contracting for or purchasing electric service at retail from an electric utility.

Subd. 3. [ELECTRIC SERVICE.] "Electric service" means electric service furnished to a customer at retail for ultimate consumption, but does not include wholesale electric energy furnished by an electric utility to another electric utility for resale.

Subd. 4. [ELECTRIC LINE.] "Electric line" means lines for conducting electric energy at a design voltage of 25,000 volts phase to phase or less used for distributing electric energy directly to customers at retail.

Subd. 5. [ELECTRIC UTILITY.] "Electric utility" means persons, their lessees, trustees, and receivers, separately or jointly, now or hereafter operating, maintaining, or controlling in Minnesota equipment or facilities or providing electric service at retail and which fall within the definition of "public utility" in section 216B.02, subdivision 4, (AND INCLUDES FACILITIES OWNED BY) except that the term includes a municipality (OR BY) and a cooperative electric association and property owned by them.

Subd. 6. [ASSIGNED SERVICE AREA.] "Assigned service area" means the geographical area in which the boundaries are established as provided in section 216B.39.

Subd. 7. [MUNICIPALITY.] "Municipality" means any city, however organized.

Subd. 8. [NET INCOME.] "Net income" means:

(a) the systemwide average annual electric utility net income determined from the uniform system of accounts required to be maintained by the federal energy regulatory commission or any other federal agency having jurisdiction; or

(b) in the case of a cooperative electric association, its systemwide average annual net operating margin.

In both cases, the average annual amount is computed from the five most recently completed fiscal years of the electric utility.

Subd. 9. [NET FACILITIES VALUE.] "Net facilities value" means the actual, original cost of the electric utility property taken by the municipality, less accumulated depreciation as determined from the books and records of the utility.

Subd. 10. [PRESENT VALUE.] "Present value" means the worth of the payments provided for in section 22, subdivision 3, on the date of notice provided for in section 216B.46, subdivision 2, discounted for present payment at an annual rate (a) equal to the return on common stock allowed in the most recent final rate determination made by the commission for the electric utility, or (b) if the electric utility is not subject to rate approval by the commission, equal to the electric utility's marginal cost of borrowed capital.

Subd. 11. [SYSTEMWIDE NET PLANT VALUE.] "Systemwide net plant value" means the value of the electric utility's total net electric utility plant as determined from the books and records of the electric utility.

Sec. 18. Minnesota Statutes 1982, section 216B.44, is amended to read:

216B.44 [MUNICIPAL SERVICE TERRITORY EXTENSIONS (IN ANNEXED AREAS; MUNICIPAL PURCHASE).]

Subdivision 1. [EXTENSIONS.] Notwithstanding the provisions of sections 216B.38 to 216B.42, whenever a municipality which owns and operates an electric utility (a) extends its corporate boundaries through annexation or consolidation, or (b) determines to extend its service territory within its existing corporate boundaries, the municipality shall thereafter furnish electric service to (THE ANNEXED AREA) these areas unless the area is already receiving electric service from an electric utility, in which event, the (ANNEXING) municipality may purchase the facilities of the electric utility serving the (ANNEXED) area. The municipality acquiring the facilities shall pay to the utility formerly serving the (ANNEXED) area the (APPROPRIATE) value of its properties within the area (WHICH PAYMENT MAY BE BY EXCHANGE OF OTHER ELECTRIC UTILITY PROPERTY OUTSIDE THE MUNICIPALITY ON AN APPROPRIATE BASIS GIVING DUE CONSIDERATION TO REVENUE FROM AND VALUE OF THE RESPECTIVE PROPERTIES. IN THE EVENT THE MUNICIPALITY AND THE ELECTRIC UTILITY INVOLVED ARE UNABLE TO

AGREE AS TO THE TERMS OF THE PAYMENT OR EXCHANGE, THE MUNICIPALITY OR THE ELECTRIC UTILITY MAY FILE AN APPLICATION WITH THE COMMISSION REQUESTING THAT THE COMMISSION DETERMINE THE APPROPRIATE TERMS FOR THE EXCHANGE OR SALE. AFTER NOTICE AND HEARING, THE COMMISSION SHALL DETERMINE APPROPRIATE TERMS FOR AN EXCHANGE, OR IN THE EVENT NO APPROPRIATE PROPERTIES CAN BE EXCHANGED, THE COMMISSION SHALL FIX AND DETERMINE THE APPROPRIATE VALUE OF THE PROPERTY WITHIN THE ANNEXED AREA, AND THE TRANSFER SHALL BE MADE AS DIRECTED BY THE COMMISSION. IN MAKING THAT DETERMINATION THE COMMISSION SHALL CONSIDER THE ORIGINAL COST OF THE PROPERTY, LESS DEPRECIATION, LOSS OF REVENUE TO THE UTILITY FORMERLY SERVING THE AREA, EXPENSES RESULTING FROM INTEGRATION OF FACILITIES, AND OTHER APPROPRIATE FACTORS. UNTIL THE DETERMINATION BY THE COMMISSION, THE FACILITIES SHALL REMAIN IN PLACE AND SERVICE TO THE PUBLIC SHALL BE MAINTAINED BY THE OWNER. HOWEVER, THE ELECTRIC UTILITY BEING DISPLACED, SERVING THE ANNEXED AREA, SHALL NOT EXTEND SERVICE TO ANY ADDITIONAL POINTS OF DELIVERY WITHIN THE ANNEXED AREA IF THE COMMISSION, AFTER NOTICE AND HEARING, WITH DUE CONSIDERATION OF ANY UNNECESSARY DUPLICATION OF FACILITIES, SHALL DETERMINE THAT THE EXTENSION IS NOT IN THE PUBLIC INTEREST.)

(WHEN PROPERTY OF A PUBLIC UTILITY LOCATED WITHIN AN AREA ANNEXED TO A MUNICIPALITY WHICH OWNS AND OPERATES A PUBLIC UTILITY IS PROPOSED TO BE ACQUIRED BY THE MUNICIPALITY, RATIFICATION BY THE ELECTORS IS NOT REQUIRED) *as provided in section 22.*

Subd. 2. [EXCHANGE OF PROPERTY.] The municipality may pay for the acquired property by the exchange of other electric utility property owned by the municipality outside of its corporate boundaries giving due consideration to the value of that property as provided in section 22.

Sec. 19. Minnesota Statutes 1982, section 216B.45, is amended to read:

216B.45 [MUNICIPAL PURCHASE OF PUBLIC UTILITY.]

(ANY PUBLIC) *An electric utility operating in a municipality under a license, permit, right, claim of right, municipal suf-*

ference, or franchise (SHALL BE) is deemed to have consented to the purchase by the municipality, for just compensation, of its property operated in the municipality under (SUCH) the license, permit, right, claim of right, municipal sufferance, or franchise. The municipality, subject to the provisions of (LAWS 1974, CHAPTER 429) section 216B.44 to section 22, may purchase the property upon notice to the (PUBLIC) electric utility as (HEREIN) provided in section 216B.46, and upon payment to the utility of the value of its properties within the area as provided in section 22 and without regard to the terms and conditions of section 300.05. (WHENEVER THE COMMISSION IS NOTIFIED BY THE MUNICIPALITY OR THE PUBLIC UTILITY AFFECTED THAT THE MUNICIPALITY HAS, PURSUANT TO LAW, DETERMINED TO PURCHASE THE PROPERTY OF THE PUBLIC UTILITY, AND THAT THE PARTIES TO THE PURCHASE AND SALE HAVE BEEN UNABLE TO AGREE ON THE AMOUNT TO BE PAID AND RECEIVED THEREFOR, THE COMMISSION SHALL SET A TIME AND PLACE FOR A PUBLIC HEARING, AFTER NOT LESS THAN 30 DAYS NOTICE TO THE PARTIES, UPON THE MATTER OF JUST COMPENSATION OR THE MATTER OF THE PROPERTY TO BE PURCHASED. WITHIN A REASONABLE TIME THE COMMISSION SHALL, BY ORDER, DETERMINE THE JUST COMPENSATION FOR THE PROPERTY TO BE PURCHASED BY THE MUNICIPALITY. IN DETERMINING JUST COMPENSATION, THE COMMISSION SHALL CONSIDER THE ORIGINAL COST OF THE PROPERTY LESS DEPRECIATION, LOSS OF REVENUE TO THE UTILITY, EXPENSES RESULTING FROM INTEGRATION OF FACILITIES AND OTHER APPROPRIATE FACTORS. THE ORDER OF THE COMMISSION MAY BE REVIEWED AS PROVIDED IN SECTION 216B.52. COMMISSION EXPENSES ARISING OUT OF THE EXERCISE OF ITS JURISDICTION UNDER THIS SECTION SHALL BE ASSESSED TO THE MUNICIPALITY. FOR PURPOSES OF THIS SECTION, A PUBLIC UTILITY SHALL INCLUDE A COOPERATIVE ELECTRIC ASSOCIATION.)

Sec. 20. Minnesota Statutes 1982, section 216B.46, is amended to read:

216B.46 [(MUNICIPAL PROCEDURE) PROCEDURES; NOTICE; ELECTION.]

Subdivision 1. [COMMISSION PROCEDURE.] In the event a municipality and an electric utility involved in the acquisition of property under section 216B.44 to section 22 are unable to agree as to the terms of the payment, the municipality or the electric utility may file an application with the commission requesting that the commission determine the appropriate terms for the sale. The commission shall set a time and place for a public hearing after not less than 30 days notice to the parties. The commission shall fix and determine the price to be paid for

the property within the annexed area as provided in section 22. If the municipality determines to make payment by the exchange of property, the commission shall determine the value of the municipality's property also as provided in section 22 and further direct the terms and conditions of the transfer. Until the determination by the commission, the facilities shall remain in place and service to the public shall be maintained by the owner. However, the electric utility being displaced shall not extend service to additional points of delivery within the service territory assumed by the municipality unless the commission, after notice and hearing, with due consideration of unnecessary duplication of facilities and increased expense to consumers, determines that the extension is in the public interest. The order of the commission may be reviewed as provided in section 216B.52.

Subd. 2. [MUNICIPAL PROCEDURE.] (ANY) A municipality which desires to acquire the property of (A PUBLIC) an electric utility as authorized under (THE PROVISIONS OF) section (216B.45) 216B.44 to section 22 may determine to do so by resolution of the governing body of the municipality taken after a public hearing of which at least 30 days published notice (SHALL) must be given as determined by the governing body. If the municipality owns and operates a public utility at the time notice is given to acquire the property of the electric utility, ratification by the electors is not required. If the municipality does not then own and operate a public utility, the determination (SHALL BECOME) of the governing body of the municipality becomes effective when ratified by a majority of the qualified electors voting on the question at a special election (TO BE) held for that purpose, not less than 60 nor more than 120 days after the adoption of the resolution of the governing body of the municipality.

Sec. 21. Minnesota Statutes 1982, section 216B.47, is amended to read:

216B.47 [ACQUISITION BY EMINENT DOMAIN.]

Nothing in (LAWS 1974, CHAPTER 429 SHALL BE CONSTRUED TO PRECLUDE) this chapter or any other provision of Minnesota Statutes or municipal charter precludes a municipality from acquiring the property of (A PUBLIC) an electric utility by eminent domain proceedings; provided that damages to be paid in eminent domain proceedings (SHALL INCLUDE THE ORIGINAL COST OF THE PROPERTY LESS DEPRECIATION, LOSS OF REVENUE TO THE UTILITY, EXPENSES RESULTING FROM INTEGRATION OF FACILITIES, AND OTHER APPROPRIATE FACTORS. FOR PURPOSES OF THIS SECTION, A PUBLIC UTILITY SHALL INCLUDE A COOPERATIVE ELECTRIC ASSOCIATION) must be determined under the terms of section 22.

Sec. 22. [216B.475] [PAYMENT FOR PROPERTY ACQUIRED BY MUNICIPALITIES.]

Subdivision 1. [EXCLUSIVE VALUATION METHOD.] The value of the property taken by a municipality under section 216B.44 to this section must be determined solely in accordance with this section.

Subd. 2. [VALUATION WITHOUT FRANCHISE.] If no written franchise has been granted by the municipality to the electric utility or if no written franchise is in effect upon enactment, the price to be paid to the electric utility by the municipality for the property taken by the municipality in the expansion of its service territory is the net facilities value of the property of the electric utility upon the date of notice plus the expenses of necessary integration of facilities.

Subd. 3. [VALUATION IF FRANCHISE.] If a written franchise has been granted to the electric utility by the municipality and is in effect upon the date of enactment, there must be added to the amount determined under subdivision 2 of this section a sum for the lost net profits of the electric utility and with respect to an electric utility which is subject to the payment of federal income tax, in addition, 25 percent of the lost-net profits. The sum for the lost net profits must be the present value of the product of (a) the net facilities value within the acquired territory, as determined in subdivision 2, stated as a percentage of the electric utility's systemwide net plant value, times (b) the net income of the electric utility for a term of ten years. In determining present value, the foregoing amount is deemed payable in 120 equal monthly installments. The amount provided in this subdivision shall also be paid by the municipality if it does not own and operate a public utility upon the date of enactment.

Subd. 4. [OFFER OF WHOLESALE PURCHASE.] If a municipality subject to subdivision 2 does not tender to the electric utility an offer to purchase power and energy as a wholesale customer for resale to the retail customers within the area taken by the municipality and for a term not less than ten years, there shall be paid by the municipality to the electric utility an amount on account of lost net profits, as determined in subdivision 3. If a municipality subject to subdivision 3 does not tender to the electric utility an offer to purchase power and energy as a wholesale customer for resale to the retail customer within the area taken by the municipality, and for a term not less than ten years, the amount to be paid on account of lost-net profits shall be multiplied by two.

Sec. 23. Minnesota Statutes 1982, section 412.321, subdivision 2, is amended to read:

Subd. 2. [VOTE ON ESTABLISHMENT.] No gas, light, power, or heat utility (SHALL) may be constructed, purchased, or leased until the proposal to do so has been submitted to the voters at a regular or special election and been approved

by five-eighths of those voting on the proposition. (SUCH) *The proposal (SHALL) must state whether the public utility is to be constructed, purchased, or leased and the estimated cost or the maximum amount to be expended for that purpose. This proposal and a proposal to issue bonds to raise money therefor may be submitted either separately or as a single question. The proposal for the acquisition of the public utility may include authority for distribution only or for generation or production and distribution of a particular utility service or group of services. Approval of the voters (SHALL) must be obtained under this section before a city purchasing gas or electricity wholesale and distributing it to consumers acquires facilities for the manufacture of gas or generation of electricity unless the voters have, within the two previous years, approved a proposal for both generation or production and distribution. This subdivision does not apply to the expansion or acquisition of electric service territory by a municipality owning and operating a public utility system governed by section 216B.44 to section 22.*

Sec. 24. Minnesota Statutes 1982, section 453.54, is amended by adding a subdivision to read:

Subd. 7a. It may invest in various technologies to minimize long-run costs of providing electrical services to consumers. These investments include energy conservation measures and renewable resources.

Sec. 25. [APPROPRIATIONS.]

Subdivision 1. The sum of \$100,000 is appropriated from the general fund to the department of energy, planning and development for purposes of the energy audit interpretation program established in section 9.

Subd. 2. The sum of \$68,000 is appropriated from the general fund to the department of energy, planning and development for staff and program costs of the steam trap survey program under section 2.

Subd. 3. The sum of \$60,000 is appropriated from the general fund to the department of energy, planning and development or its successor agency to operate the energy management training program under section 3. Included in this sum is money for the energy efficiency training of 800 building operators.

Subd. 4. The sum of \$130,000 is appropriated from the general fund to the department of energy, planning and development to hire one complement and to fund the continuing super-insulated home demonstration project for two years, as provided in section 4.

Subd. 5. The sum of \$82,500 is appropriated from the general fund to the department of energy, planning and develop-

ment to hire necessary staff, consultants, and equipment for the building energy research center as provided in section 4.

Subd. 6. The sum of \$330,000 is appropriated from the general fund to the department of energy, planning and development to fund the secondary phase of district heating planning for municipalities that have received district heating loans under section 116J.36. The sum of \$250,000 shall be used for matching grants of up to \$25,000 each, as provided in section 10; the remaining \$80,000 shall be used to pay for one complement position and administration.

Subd. 7. The sum of \$100,000 is appropriated from the general fund to the department of energy, planning and development to develop and market energy audits for multi-family and commercial buildings pursuant to section 8.

Sec. 26. [REPEALER.]

Minnesota Statutes 1982, sections 3.351 and 116J.27, subdivisions 5 and 7 are repealed.

Sec. 27. [EFFECTIVE DATE.]

Section 8 is effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to energy; providing an omnibus energy policy; appropriating money; amending Minnesota Statutes 1982, sections 16.02, by adding a subdivision; 116J.24, by adding a subdivision; 116J.27, subdivisions 2, 6, and by adding a subdivision; 116J.31; 116J.36; 156A.02, subdivision 6; 156A.10, subdivision 1; 216B.164, subdivisions 2, 5, and by adding a subdivision; 216B.38; 216B.44; 216B.45; 216B.46; 216B.47; 412.321, subdivision 2; and 453.54, by adding a subdivision; proposing new law coded in Minnesota Statutes, chapters 116J and 216B; repealing Minnesota Statutes 1982, sections 3.351 and 116J.27, subdivisions 5 and 7."

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

The report was adopted.

Mann from the Committee on Transportation to which was referred:

H. F. No. 837, A bill for an act relating to transportation; providing for a unique registration category and special license plates for commuter vans; defining ridesharing arrangement and other terms; clarifying taxation, licensing, and vehicle use

requirements in ridesharing arrangements; excluding certain ridesharing arrangements from the provisions of chapter 176 governing workers' compensation; clarifying employers' liability under workers' compensation for a ridesharing arrangement; excluding participation in a ridesharing arrangement from overtime compensation and the payment of minimum wages as defined in chapter 177; excluding payments other than salary to drivers in ridesharing arrangements from the definition of gross income; excluding motor vehicles participating in ridesharing arrangements from the definition of commercial motor vehicle; deleting the requirement to transfer rideshare program development from the commissioner of transportation; amending Minnesota Statutes 1982, sections 169.01, by adding a subdivision; 174.257, by adding subdivisions; 176.041; 176.051, by adding subdivisions; 290.08, by adding a subdivision; 296.17; and Laws 1981, chapter 363, section 55, subdivision 2; proposing new law coded in Minnesota Statutes, chapters 168 and 177.

Reported the same back with the following amendments:

Page 1, after line 28, insert:

"Section 1. Minnesota Statutes 1982, section 16.753, subdivision 3, is amended to read:

Subd. 3. [PERMITTED USES.] A state vehicle may be used by a state employee to travel to or from the employee's residence:

(a) On a day on which it may be necessary for the employee to respond to a work-related emergency during hours when the employee is not normally working; (OR)

(b) If the employee has been assigned the use of a state vehicle for authorized state business on an extended basis, and the employee's primary place of work is not the state work station to which he is permanently assigned; (OR)

(c) If the employee has been assigned the use of a state vehicle for authorized state business away from the work station to which he is permanently assigned, and the number of miles travelled, or the time needed to conduct the business, will be minimized if the employee uses a state vehicle to travel to the employee's residence before or after travelling to the place of state business. Use of a state vehicle pursuant to this subdivision shall require the prior approval of the agency head, or the designee of the agency head. Within 15 days of the end of each three-month period, beginning July 1, 1981, the head of each state agency or department shall report to the commissioner of administration on each case in which a state vehicle is used by an employee of that agency to travel to or from the employee's resi-

dence. The commissioner shall specify the form of this report and the information to be included. If no state vehicles have been used for this travel, the head of the agency shall report this to the commissioner; or

(d) *If the employee is authorized to participate in a ridesharing program established by the commissioner under section 174.257."*

Page 1, line 36, delete "to an owner of" and insert "for"

Page 4, line 7, delete "2" and insert "3"

Page 4, line 13, delete "shall" and insert "may"

Page 4, line 16, after the period insert "*The commissioner of administration must by September 1, 1983, establish a demonstration program for using state-owned vehicles, other than commuter vans, for use in ridesharing arrangements for state employees.*"

Page 6, line 1, delete "2" and insert "3"

Page 6, line 5, delete "8" and insert "9"

Page 7, line 5, delete "2" and insert "3"

Page 7, line 25 delete "2" and insert "3"

Page 8, line 9, delete "2" and insert "3"

Page 8, line 21, delete "2" and insert "3"

Page 9, line 19, delete "11, and" and insert "10," and after "12" insert ", and 13"

Page 9, line 20, delete "10" and insert "11"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, after the semicolon insert "permitting the use of state vehicles in ridesharing arrangements;"

Page 1, line 21, after "sections" insert "16.753, subdivision 3;"

With the recommendation that when so amended the bill pass.

The report was adopted.

Jacobs from the Committee on Regulated Industries to which was referred:

H. F. No. 854, A bill for an act relating to utilities; specifying the commission's authority over the availability of submetering; proposing new law coded in Minnesota Statutes, chapter 216B.

Reported the same back with the following amendments:

Page 1, after line 7, insert:

"Section 1. Minnesota Statutes 1982, section 216B.02, is amended by adding a subdivision to read:

Subd. 6a. "Submetering" means measuring, by a building's owner, through mechanical or electronic devices, the usage of electricity by various occupants in multiple-unit residential or commercial buildings in order to fairly apportion the entire electrical costs for the building among its inhabitants."

Renumber the remaining sections accordingly

Amend the title as follows:

Page 1, line 3, after "submetering;" insert "amending Minnesota Statutes 1982, section 216B.02, by adding a subdivision;"

With the recommendation that when so amended the bill pass.

The report was adopted.

Jacobs from the Committee on Regulated Industries to which was referred:

H. F. No. 1006, A bill for an act relating to intoxicating liquor; authorizing a city to authorize an on-sale licensee to dispense liquor at events held in facilities of the metropolitan sports facilities commission; amending Minnesota Statutes 1982, section 340.11, subdivision 11c.

Reported the same back with the following amendments:

Page 1, line 20, after "authority," insert "or owned by the metropolitan sports facilities commission,"

Page 1, line 20, delete "or"

Page 1, line 21, delete "owned by the metropolitan sports facilities commission"

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

The report was adopted.

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

H. F. No. 1033, A bill for an act relating to insurance; authorizing the establishment of joint self-insurance employee health plans; providing administrative, trust, bonding, investment, and reporting requirements; establishing a quarterly revenue fee; proposing new law coded as Minnesota Statutes, chapter 62H.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [62H.01] [JOINT SELF-INSURANCE EMPLOYEE HEALTH PLAN.]

Any three or more employers, excluding the state and its political subdivisions as described in 471.617, subdivision 1, who are authorized to transact business in Minnesota may jointly self-insure employee health, dental, or short term disability benefits. Joint plans must have a minimum of 100 covered employees and meet all conditions and terms of sections 1 to 8.

Sec. 2. [62H.02] [REQUIRED PROVISIONS.]

A joint self-insurance plan must include aggregate excess stop-loss coverage and individual excess stop-loss coverage provided by an insurance company licensed by the state of Minnesota. Aggregate excess stop-loss coverage must include provisions to cover incurred, unpaid claim liability in the event of plan termination. The excess or stop-loss insurer must bear the risk of coverage for any member of the pool which becomes insolvent with outstanding contribution due. In addition, the plan of self-insurance must have participating employers fund an amount at least equal to the point at which the excess or stop-loss insurer must assume 100 percent of additional liability. A joint self-insurance plan must submit its proposed excess or stop-loss insurance contract to the commissioner of insurance at least 30 days prior to the proposed plan's effective date and at least 30 days subsequent to any renewal date. The commissioner shall review the contract to determine if they meet the standards established by this act and respond within a 30-day period. Any excess or stop-loss insurance plan must be non-cancellable for a minimum term of two years.

Sec. 3. [62H.03] [MARKETING, RISK MANAGEMENT, OR ADMINISTRATIVE SERVICES.]

No joint self-insurance plan may offer marketing, risk management, or administrative service unless these services are provided by vendors duly licensed by the commissioner to provide these services. No vendor of these services may be a trustee of any joint self-insurance plan for which they provide marketing, risk management, or administrative services.

Sec. 4. [62H.04] [COMPLIANCE WITH OTHER LAWS.]

A joint self-insurance plan shall be subject to the requirements of chapter 62A and sections 72A.17 to 72A.35 unless otherwise specifically exempt. A joint self-insurance plan must not offer less than a number two qualified plan or its actuarial equivalent.

Sec. 5. [62H.05] [MANAGEMENT OF FUNDS.]

Funds collected from the participating employers under joint self-insurance plans must be held in trust subject to the following requirements:

(a) A board of trustees elected by participating employers shall serve as fund managers on behalf of participants. Trustees must be plan participants. No participating employer may be represented by more than one trustee. A minimum of three and a maximum of seven trustees may be elected. Trustees shall receive no remuneration, but they may be reimbursed for actual and reasonable expenses incurred in connection with duties as trustees.

(b) Trustees shall be bonded in an amount not less than \$100,000 or no more than \$500,000 from a licensed bonding company.

(c) Investment of plan funds is subject to the same restrictions as are applicable to political subdivisions pursuant to section 475.66. All investments must be managed by a bank or other investment organization licensed to operate in Minnesota.

(d) Trustees, on behalf of the fund, shall file annual reports with the commissioner of insurance within 30 days immediately following the end of each calendar year. The reports must summarize the financial condition of the fund, itemize collection from participating employers, and detail all fund expenditures.

Sec. 6. [62H.06] [REGULATION OF PLANS BY COMMISSIONER.]

The commissioner of insurance shall promulgate rules, including temporary rules, to insure the solvency and operation

of all self insured plans subject to this chapter. The commissioner may examine the joint self-insurance plans pursuant to sections 60A.03 and 60A.031.

Sec. 7. [62H.07] [REVENUE FEE.]

A joint self-insurance plan shall pay a two percent revenue fee. This revenue must be computed based on two percent of the paid claims level for the most recently completed calendar year. This revenue must be deposited in the general fund.

Sec. 8. [APPROPRIATION.]

\$ is appropriated to the insurance division to carry out the duties imposed by sections 1 to 7.

Sec. 9. [EFFECTIVE DATE.]

Section 6 is effective the day after final enactment. Sections 1 to 5 and 7 are effective January 1, 1984."

Delete the title and insert:

"A bill for an act relating to insurance; authorizing the establishment of joint self-insurance employee health plans; providing administrative, trust, bonding, investment and reporting requirements; establishing a revenue fee; appropriating money; proposing new law coded as Minnesota Statutes, chapter 62H."

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

The report was adopted.

Mann from the Committee on Transportation to which was referred:

H. F. No. 1113, A bill for an act relating to highway traffic regulations; regulating the use of materials on the windshields, side windows, and rear windows of motor vehicles; amending Minnesota Statutes 1982, section 169.71, by adding a subdivision.

Reported the same back with the following amendments:

Page 1, line 20, delete the comma

Page 1, line 21, delete "covered by,"

Page 2, line 1, before "Any" insert "(d) When" and after "material" insert "has been"

Page 2, line 1, after "applied" insert "after August 1, 1985,"

Page 2, line 1, delete "must be"

Page 2, line 2, delete "permanently marked to indicate" and insert "without an accompanying permanent marking which indicates"

Page 2, line 6, after "which" insert a colon

Page 2, line 7, before "have" insert:

"(a)"

Page 2, line 10, delete the period and insert a semicolon

Page 2, after line 10, insert:

"(b) were required to satisfy prescription needs of the driver of the vehicle and the driver is in possession of such prescription.

This subdivision does not apply to the rear windows of a pick-up truck as defined in section 168.011, subdivision 29, or to the rear windows or the side windows on either side behind the driver's seat of a van as defined in section 168.011, subdivision 28.

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective August 1, 1983, with the exception of subdivision 4, clause (d) which is effective August 1, 1985."

With the recommendation that when so amended the bill pass.

The report was adopted.

Rice from the Committee on Appropriations to which was referred:

S. F. No. 47, A bill for an act relating to game and fish; requiring a pheasant stamp; establishing a fee and providing for the use of revenue; allowing multiple sale of stamps with a single issuing fee; amending Minnesota Statutes 1982, section 98.50, subdivision 5; proposing new law coded in Minnesota Statutes, chapter 97.

Reported the same back with the following amendments:

Page 3, after line 36, insert:

"Sec. 3. [APPROPRIATION.]

There is appropriated from the game and fish fund to the commissioner of natural resources for pheasant habitat improvement pursuant to section 1 \$500,000 for fiscal year 1984 and \$500,000 for fiscal year 1985. The complement of the department is increased by one position."

Renumber the remaining section

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.

Swanson from the Committee on Health and Welfare to which was referred:

S. F. No. 254, A bill for an act relating to public welfare; providing for medical assistance payment for certain nutritional supplements; requiring temporary rules for prospective hospital payment; amending Minnesota Statutes 1982, section 256B.02, subdivision 8.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1982, section 256B.02, subdivision 8, is amended to read:

Subd. 8. "Medical assistance" or "medical care" means payment of part or all of the cost of the following care and services for eligible individuals whose income and resources are insufficient to meet all of such cost:

- (1) Inpatient hospital services.
- (2) Skilled nursing home services and services of intermediate care facilities.
- (3) Physicians' services.
- (4) Outpatient hospital or clinic services.
- (5) Home health care services.
- (6) Private duty nursing services.

- (7) Physical therapy and related services.
- (8) Dental services, excluding cast metal restorations.
- (9) Laboratory and x-ray services.

(10) The following if prescribed by a licensed practitioner: drugs, eyeglasses, dentures, and prosthetic devices. The commissioner shall designate a formulary committee which shall advise the commissioner on the names of drugs for which payment shall be made, recommend a system for reimbursing providers on a set fee or charge basis rather than the present system, and develop methods encouraging use of generic drugs when they are less expensive and equally effective as trademark drugs. The commissioner shall appoint the formulary committee members no later than 30 days following July 1, 1981. The formulary committee shall consist of nine members, four of whom shall be physicians who are not employed by the department of public welfare, and a majority of whose practice is for persons paying privately or through health insurance, three of whom shall be pharmacists who are not employed by the department of public welfare, and a majority of whose practice is for persons paying privately or through health insurance, a consumer representative, and a nursing home representative. Committee members shall serve two year terms and shall serve without compensation. The commissioner may establish a drug formulary. Its establishment and publication shall not be subject to the requirements of the administrative procedure act, but the formulary committee shall review and comment on the formulary contents. The formulary shall not include: drugs or products for which there is no federal funding; over the counter drugs, except for antacids, acetaminophen, family planning products, aspirin, insulin, prenatal vitamins, and vitamins for children under the age of seven or any other over the counter drug identified by the commissioner in consultation with the appropriate professional consultants under contract with or employed by the state agency, as necessary, appropriate and cost effective for the treatment of certain specified chronic diseases, conditions or disorders and such determination shall not be subject to the requirements of the administrative procedures act; nutritional products, except for those products needed for treatment of phenylketonuria, hyperlysinemia, maple syrup urine disease, a combined allergy to human milk, cow milk, and soy formula, or any other childhood or adult diseases, conditions, or disorders identified by the commissioner as requiring a similarly necessary nutritional product; anorectics; and drugs for which medical value has not been established. Prior authorization may be required by the commissioner before certain formulary drugs are eligible for payment. Separate payment shall not be made for nutritional products for residents of long term care facilities; payment for dietary requirements is a component of the per diem rate paid to these facilities. Payment to drug vendors shall not be modified before the formulary is established except that the commissioner shall

not permit payment for any drugs which may not by law be included in the formulary and his determination shall not be subject to the administrative procedure act. The commissioner (MAY PROMULGATE) shall publish conditions for prohibiting payment for specific drugs after considering the formulary committee's recommendations.

The basis for determining the amount of payment shall be the actual acquisition costs of the drugs plus a fixed dispensing fee established by the commissioner. Actual acquisition cost includes quantity and other special discounts except time and cash discounts. Establishment of this fee shall not be subject to the requirements of the administrative procedure act. Whenever a generically equivalent product is available, payment shall be on the basis of the actual acquisition cost of the generic drug, unless the prescriber specifically indicates "dispense as written" on the prescription as required by section 151.21, subdivision 2.

Notwithstanding the above provisions, implementation of any change in the fixed dispensing fee which has not been subject to the administrative procedure act shall be limited to not more than 180 days, unless, during that time, the commissioner shall have initiated rulemaking through the administrative procedure act.

(11) Diagnostic, screening, and preventive services.

(12) Health care pre-payment plan premiums and insurance premiums if paid directly to a vendor and supplementary medical insurance benefits under Title XVIII of the Social Security Act.

(13) Abortion services, but only if one of the following conditions is met:

(a) The abortion is a medical necessity. "Medical necessity" means (1) the signed written statement of two physicians indicating the abortion is medically necessary to prevent the death of the mother, and (2) the patient has given her consent to the abortion in writing unless the patient is physically or legally incapable of providing informed consent to the procedure, in which case consent will be given as otherwise provided by law;

(b) The pregnancy is the result of criminal sexual conduct as defined in section 609.342, clauses (c), (d), (e)(i), and (f), and the incident is reported within 48 hours after the incident occurs to a valid law enforcement agency for investigation, unless the victim is physically unable to report the criminal sexual conduct, in which case the report shall be made within 48 hours after the victim becomes physically able to report the criminal sexual conduct; or

(c) The pregnancy is the result of incest, but only if the incident and relative are reported to a valid law enforcement agency for investigation prior to the abortion.

(14) Transportation costs incurred solely for obtaining emergency medical care or transportation costs incurred by non-ambulatory persons in obtaining emergency or non-emergency medical care when paid directly to an ambulance company, common carrier, or other recognized providers of transportation services. For the purpose of this clause, a person who is incapable of transport by taxicab or bus shall be considered to be non-ambulatory.

(15) To the extent authorized by rule of the state agency, costs of bus or taxicab transportation incurred by any ambulatory eligible person for obtaining non-emergency medical care.

(16) Any other medical or remedial care licensed and recognized under state law unless otherwise prohibited by law.

Sec. 2. [RULEMAKING.]

The commissioner of public welfare shall promulgate temporary and permanent rules to implement a system of prospective payment for hospital services.

Sec. 3. [EFFECTIVE DATE.]

Sections 1 and 2 are effective the day following final enactment."

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 Local and Urban Affairs to which was referred:

S. F. No. 271, A bill for an act relating to Hennepin County; providing for the conduct of a public safety communications service; repealing Laws 1947, chapter 371, as amended.

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

The report was adopted.

Anderson, G., from the Committee on Local and Urban Affairs to which was referred:

S. F. No. 278, A bill for an act relating to Hennepin County; providing for financing of motor vehicle parking facilities; authorizing the issuance of general obligation or revenue bonds of the county; authorizing the construction of one off-street parking facility within the city of Minneapolis; amending Laws 1969, chapter 1037, section 1, subdivisions 1 and 2, and by adding a subdivision.

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

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. Nos. 356, 455, 556, 655, 658, 689, 722, 779, 837, 854, 1006 and 1113 were read for the second time.

SECOND READING OF SENATE BILLS

S. F. Nos. 827, 833, 936, 639, 238, 280, 705, 948, 855, 1009, 47, 271 and 278 were read for the second time.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House Files were introduced:

Clark, K.; Kelly; Begich; Norton and McEachern introduced:

H. F. No. 1221, A bill for an act relating to employment; providing a plan for full employment.

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

Norton introduced:

H. F. No. 1222, A bill for an act relating to government operations; requiring a review of certain capital improvement programs; requiring reports and capital improvement plans; expanding the scope of the capital budget.

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

Schoenfeld; Munger; Erickson; Nelson, K., and Welch introduced:

H. F. No. 1223, A bill for an act relating to education; appropriating money for high technology programs to the board of regents of the University of Minnesota, the higher education coordinating board, and the state university board.

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

Ogren and Sarna introduced:

H. F. No. 1224, A bill for an act relating to occupations and professions; regulating the period of time between professional boxing contests, matches, or exhibitions; amending Minnesota Statutes 1982, section 341.115.

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

Olsen introduced:

H. F. No. 1225, A bill for an act relating to taxation; exempting certain income of elderly persons from taxation; amending Minnesota Statutes 1982, section 290.01, subdivision 20b, as amended.

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

Sparby, Wenzel, Johnson, Peterson and Valan introduced:

H. F. No. 1226, A bill for an act relating to agriculture; providing for payment of certain federal crop insurance premiums by the state; appropriating money; proposing new law coded in Minnesota Statutes, chapter 17.

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

Blatz, McEachern, Norton, Findlay and Reif introduced:

H. F. No. 1227, A bill for an act relating to the state building code; requiring certain elevators to have raised letters and numbers for use by the blind; amending Minnesota Statutes 1982, section 16.851, by adding a subdivision.

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

Jennings and Findlay introduced:

H. F. No. 1228, A bill for an act relating to education; requiring that fees charged for financial accounting by a regional management information center be based on consumption; requiring the department of education to establish a method for direct submission of financial data; setting up a pilot project to test the reporting method; amending Minnesota Statutes 1982, section 121.936, by adding a subdivision; and proposing new law coded in Minnesota Statutes, chapter 121.

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

Cohen introduced:

H. F. No. 1229, A bill for an act relating to taxation; providing a sales tax exemption for sales by certain nonprofit organizations; amending Minnesota Statutes 1982, section 297A.25, subdivision 1.

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

Cohen introduced:

H. F. No. 1230, A bill for an act relating to marriage dissolution; allowing separate summary judgment on the issue of dissolution; removing a conclusive presumption that each spouse made substantial contribution to acquiring certain property; excluding mediators' information except on consent of the parties; providing for deposing of investigators; amending Minnesota Statutes 1982, sections 518.13, by adding a subdivision; 518.167; and 518.58.

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

Olsen introduced:

H. F. No. 1231, A bill for an act relating to property taxation; providing for the taxation of certain condominium property; amending Minnesota Statutes 1982, sections 273.11, subdivision 1, and by adding a subdivision; and 515A.1-105.

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

Heap, Shaver, Kvam and Jennings introduced:

H. F. No. 1232, A bill for an act relating to taxation; decreasing the maximum corporate tax rate; amending Minnesota Statutes 1982, section 290.06, subdivision 1.

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

Ellingson introduced:

H. F. No. 1233, A bill for an act relating to insurance; no-fault automobile; regulating the crime of driving without the required security; providing penalties; amending Minnesota Statutes 1982, section 65B.67, subdivision 2, and by adding a subdivision; repealing Minnesota Statutes 1982, section 65B.67, subdivision 3.

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

Clawson, for the Committee on Local and Urban Affairs, introduced:

H. F. No. 1234, A bill for an act relating to state-local fiscal relations; creating an advisory council for local government financial reporting standards; establishing a policy for the distribution of local government aids; providing for the state budget reserve account; removing levy limits for cities with populations under 5,000 and towns; appropriating money; amending Minnesota Statutes 1982, sections 16A.15, by adding a subdivision; 275.50, subdivision 2; 477A.01, by adding a subdivision; and 477A.03, subdivision 2.

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

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. 277, A bill for an act relating to the city of Virginia; authorizing increases in service pensions and survivor benefits for certain retired members and survivors of the Virginia firefighter's relief association.

H. F. No. 384, A bill for an act relating to retirement; local police and salaried firefighters relief associations; requiring annual valuations; deleting requirement of quadrennial experience studies; removing obsolete language; amending Minnesota Statutes 1982, sections 69.77, subdivision 2; and 356.216.

H. F. No. 459, A bill for an act relating to labor; providing for fair labor standards; defining "employee"; reenacting Minnesota Statutes, section 177.25, subdivision 1; amending Minnesota Statutes 1982, section 177.23, subdivision 7; amending Laws 1981, chapter 289, section 3.

H. F. No. 631, A bill for an act relating to Hennepin County; authorizing employees to withdraw from participation in the Hennepin County supplemental retirement fund.

H. F. No. 638, A bill for an act relating to retirement; authorizing increases in survivor benefits payable by the Hibbing police relief association; amending Laws 1967, chapter 678, section 2, as amended.

H. F. No. 838, A bill for an act relating to transportation; conforming with federal requirements allowing a state authority to exercise jurisdiction over intrastate transportation provided by rail carrier; amending Minnesota Statutes 1982, sections 218.031, subdivision 1; 218.041, subdivision 2; and 218.071, subdivision 1.

H. F. No. 909, A bill for an act relating to the range association of municipalities and schools; defining its permitted area; amending Minnesota Statutes 1982, section 471.58.

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. 601, A bill for an act relating to retirement; miscellaneous amendments to the law governing the public employees retirement association; amending Minnesota Statutes 1982, sections 353.27, subdivisions 4 and 12; 353.28, subdivision 5; 353.29, subdivisions 6 and 8; 353.32, subdivision 1; 353.33, subdivision 5; and 353.34, subdivision 2.

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. 176, A bill for an act relating to financial institutions; providing that Small Business Administration guaranteed loans are collateral for public deposits; amending Minnesota Statutes 1932, section 118.01, subdivision 1.

PATRICK E. FLAHAVER, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Skoglund moved that the House concur in the Senate amendments to H. F. No. 176 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 176, A bill for an act relating to financial institutions; providing that Small Business Administration guaranteed loans are collateral for public deposits; amending Minnesota Statutes 1932, section 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 125 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Elioff	Knickerbocker	Onnen	Simoneau
Anderson, G.	Ellingson	Knuth	Osthoff	Skoglund
Anderson, R.	Erickson	Kostohryz	Otis	Solberg
Battaglia	Evans	Krueger	Pauly	Sparby
Beard	Findlay	Kvam	Peterson	Stadum
Begich	Fjoslien	Larsen	Piepho	Staten
Bennett	Forsythe	Levi	Piper	Sviggunn
Bergstrom	Frerichs	Long	Price	Swanson
Berkelman	Graba	Ludeman	Quist	Thiede
Bishop	Greenfield	Mann	Redalen	Tomlinson
Blatz	Gruenes	Marsh	Reif	Tunheim
Brandl	Gustafson	McDonald	Rice	Uphus
Brinkman	Halberg	McEachern	Riveness	Valan
Burger	Haukoos	McKasy	Rodriguez, C.	Valento
Carlson, D.	Heap	Metzen	Rodriguez, F.	Vellenga
Carlson, L.	Heinitz	Minne	Rose	Voss
Clark, J.	Himle	Munger	St. Onge	Waltman
Clark, K.	Hoberg	Murphy	Sarna	Welch
Clawson	Hoffman	Nelson, D.	Scheid	Welker
Cohen	Hokr	Nelson, K.	Schoenfeld	Welle
Coleman	Jacobs	Norton	Schreiber	Wenzel
Dempsey	Jennings	O'Connor	Seaberg	Wigley
DenOuden	Jensen	Ogren	Shaver	Wynia
Dimler	Johnson	Olsen	Shay	Zaffke
Eken	Kalis	Omann	Sherman	Speaker Sieben.

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. 231, A bill for an act relating to motor vehicles; increasing the time allowed to complete certain activities involving motor vehicle transfers to 21 days; amending Minnesota Statutes 1982, section 168.092, subdivision 1.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

McEachern moved that the House concur in the Senate amendments to H. F. No. 231 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 231, A bill for an act relating to motor vehicles; increasing the time for the validity of temporary registration permits to 21 days; amending Minnesota Statutes 1982, section 168.092, 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:

Anderson, B.	Dimler	Jennings	Nelson, K.	St. Onge
Anderson, G.	Eken	Jensen	Neuenschwander	Sarna
Anderson, R.	Elioff	Johnson	Norton	Scheid
Battaglia	Ellingson	Kalis	O'Connor	Schoenfeld
Beard	Erickson	Knickerbocker	Ogren	Schreiber
Begich	Evans	Knuth	Olsen	Seaberg
Bennett	Findlay	Kostobryz	Omann	Segal
Bergstrom	Fjoslien	Krueger	Onnen	Shaver
Berkelman	Forsythe	Kvam	Osthoff	Shea
Bishop	Frerichs	Larsen	Otis	Sherman
Blatz	Graba	Levi	Pauly	Simoneau
Brandl	Greenfield	Long	Peterson	Skoglund
Brinkman	Gruenes	Ludeman	Piepho	Solberg
Burger	Custafson	Mann	Piper	Sparby
Carlson, D.	Halberg	Marsh	Price	Stadum
Carlson, L.	Haukoos	McDonald	Quist	Staten
Clark, J.	Heap	McEachern	Redalen	Sviggum
Clark, K.	Heinitz	McKasy	Reif	Swanson
Clawson	Himle	Metzen	Rice	Thiede
Cohen	Hoberg	Minne	Riveness	Tomlinson
Coleman	Hoffman	Munger	Rodriguez, C.	Tunheim
Dempsey	Hokr	Murphy	Rodriguez, F.	Uphus
DenOuden	Jacobs	Nelson, D.	Rose	Valan

Valento
Vanasek
Vellenga

Voss
Waltman
Weich

Welker
Welle
Wenzel

Wigley
Wynia
Zaffke

Speaker Sieben

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. 325, A bill for an act relating to real property; revising and clarifying certain provisions relating to the registration of real property; amending Minnesota Statutes 1982, sections 508.03; 508.06; 508.08; 508.16, subdivision 2; 508.22; 508.23, by adding a subdivision; 508.24, subdivision 2; 508.25; 508.35; 508.36; 508.47, subdivision 6; 508.48; 508.49; 508.50; 508.55; 508.60; 508.62; 508.65; 508.71; 508.82; 508A.01, subdivision 1; 508A.06; 508A.17, subdivision 1; 508A.25; 508A.35; 508A.47, subdivision 6; 508A.48; 508A.49; 508A.50; 508A.55; 508A.62; 508A.65; 508A.71; 508A.82; proposing new law coded in Minnesota Statutes, chapters 508 and 508A; repealing Minnesota Statutes, sections 508.41; 508.42; 508A.41; and 508A.42.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Ellingson moved that the House concur in the Senate amendments to H. F. No. 325 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 325, A bill for an act relating to real property; revising and clarifying certain provisions relating to the registration of real property; amending Minnesota Statutes 1982, sections 508.03; 508.06; 508.08; 508.16, subdivision 2; 508.22; 508.23, by adding a subdivision; 508.24, subdivision 2; 508.25; 508.35; 508.36; 508.47, subdivision 6; 508.48; 508.49; 508.50; 508.55; 508.60; 508.62; 508.65; 508.71; 508.82; 508A.01, subdivision 1; 508A.06; 508A.17, subdivision 1; 508A.25; 508A.35; 508A.47, subdivision 6; 508A.48; 508A.49; 508A.50; 508A.55; 508A.62; 508A.65; 508A.71; 508A.82; proposing new law coded in Minnesota Statutes, chapters 508 and 508A; repealing Minnesota Statutes, sections 508.41; 508.42; 508A.41; and 508A.42.

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:

Anderson, B.	Erickson	Kvam	Peterson	Sparby
Anderson, G.	Evans	Larsen	Piepho	Stadum
Anderson, R.	Findlay	Levi	Piper	Staten
Battaglia	Fjoslien	Long	Price	Sviggum
Beard	Frerichs	Ludeman	Quinn	Swanson
Begich	Graba	Mann	Quist	Thiede
Bennett	Greenfield	Marsh	Redalen	Tomlinson
Bergstrom	Gruenes	McDonald	Reif	Tunheim
Berkelman	Gustafson	McEachern	Rice	Uphus
Bishop	Halberg	McKasy	Riveness	Valan
Blatz	Haukoos	Metzen	Rodriguez, C.	Valento
Brinkman	Heap	Minne	Rodriguez, F.	Vanasek
Burger	Heinitz	Munger	Rose	Vellenga
Carlson, D.	Himle	Murphy	St. Onge	Voss
Carlson, L.	Hoberg	Nelson, D.	Sarna	Waltman
Clark, J.	Hoffman	Nelson, K.	Scheid	Welch
Clark, K.	Hokr	Neuenschwander	Schoenfeld	Welker
Clawson	Jacobs	Norton	Schreiber	Welle
Cohen	Jennings	O'Connor	Seaberg	Wenzel
Coleman	Jensen	Ogren	Segal	Wigley
Dempsey	Johnson	Olsen	Shaver	Wynia
DenOuden	Kalis	Omamn	Shea	Zaffke
Dimler	Knickerbocker	Onnen	Sherman	Speaker Sieben
Eken	Knuth	Osthoff	Simoneau	
Elioff	Kostohryz	Otis	Skoglund	
Ellingson	Krueger	Pauly	Solberg	

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. 342, A bill for an act relating to the board of dentistry; increasing the board's powers in relation to disciplinary actions; exempting certain registered occupations from business licensing review; amending Minnesota Statutes 1982, sections 116J.70, subdivision 2a; 150A.01, by adding a subdivision; 150A.05, subdivision 2; 150A.06; 150A.08, subdivisions 1, 3, and by adding subdivisions; 150A.09; and repealing Laws 1976, chapter 263, section 6, subdivision 2.

PATRICK E. FLAHAVER, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Berkelman moved that the House concur in the Senate amendments to H. F. No. 342 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 342, A bill for an act relating to the board of dentistry; increasing the board's powers in relation to dis-

ciplinary actions; exempting certain registered occupations from business licensing review; amending Minnesota Statutes 1982, sections 116J.70, subdivision 2a; 150A.01, by adding a subdivision; 150A.05, subdivision 2; 150A.06; 150A.08, subdivisions 1, 3, and by adding subdivisions; 150A.09; and repealing Laws 1976, chapter 263, section 6, 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 119 yeas and 8 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Eken	Kostohryz	Osthoff	Simoneau
Anderson, G.	Elioff	Krueger	Otis	Skoglund
Anderson, R.	Ellingson	Kvam	Pauly	Solberg
Battaglia	Evans	Larsen	Peterson	Sparby
Beard	Findlay	Levi	Piepho	Staten
Begich	Fjoslien	Long	Piper	Svigum
Bennett	Forsythe	Mann	Price	Swanson
Bergstrom	Graba	Marsh	Quist	Thiede
Berkelman	Greenfield	McDonald	Redalen	Tomlinson
Bishop	Gruenes	McEachern	Reif	Tunheim
Blatz	Gustafson	McKasy	Rice	Valan
Brandl	Halberg	Metzen	Riveness	Valento
Brinkman	Haukoos	Minne	Rodriguez, C.	Vanasek
Burger	Heap	Munger	Rodriguez, F.	Vellenga
Carlson, D.	Heinitz	Murphy	Rose	Voss
Carlson, L.	Himle	Nelson, D.	St. Onge	Waltman
Clark, J.	Hoberg	Nelson, K.	Sarna	Welch
Clark, K.	Hoffman	Neuenschwander	Scheid	Welle
Clawson	Jacobs	Norton	Schoenfeld	Wenzel
Cohen	Jensen	O'Connor	Schreiber	Wigley
Coleman	Johnson	Ogren	Seaberg	Wynia
Dempsey	Kalis	Olsen	Segal	Zaffke
DenOuden	Knickerbocker	Omann	Shaver	Speaker Sieben
Dimler	Knuth	Onnen	Sherman	

Those who voted in the negative were:

Erickson	Jennings	Shea	Uphus	Welker
Frerichs	Ludeman	Stadum		

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 File, herewith transmitted:

S. F. No. 699.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

S. F. No. 891.

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. 160, 292, 900 and 1114.

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. 808, 857 and 1015.

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. 53, 159, 275, 466, 541, 831 and 843.

PATRICK E. FLAHAVEN, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 699, A bill for an act relating to highway traffic regulations; regulating the use of materials on the windshields, side windows, and rear windows of motor vehicles; amending Minnesota Statutes 1982, section 169.71, by adding a subdivision.

The bill was read for the first time.

Neuenschwander moved that S. F. No. 699 and H. F. No. 1113, now on Technical General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 891, A bill for an act relating to transportation; permitting the use of state vehicles in ridesharing arrangements; providing for a unique registration category and special license plates for commuter vans; defining ridesharing arrangement and other terms; clarifying taxation, licensing, and vehicle use requirements in ridesharing arrangements; excluding certain ridesharing arrangements from the provisions of chapter 176 governing workers' compensation; clarifying employers' liability under workers' compensation for a ridesharing arrangement; excluding participation in a ridesharing arrangement from overtime compensation and the payment of minimum wages as defined in chapter 177; excluding payments other than salary to drivers in ridesharing arrangements from the definition of gross income; excluding motor vehicles participating in ridesharing arrangements from the definition of commercial motor vehicle; deleting the requirement to transfer rideshare program development from the commissioner of transportation; amending Minnesota Statutes 1982, sections 16.753, subdivision 3; 169.01, by adding a subdivision; 174.257, by adding subdivisions; 176.041; 176.051, by adding subdivisions; 290.08, by adding a subdivision; 296.17; and Laws 1981, chapter 363, section 55, subdivision 2; proposing new law coded in Minnesota Statutes, chapters 168 and 177.

The bill was read for the first time.

Segal moved that S. F. No. 891 and H. F. No. 837, now on Technical General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 160, A bill for an act relating to retirement; volunteer firefighters' relief associations; adding definitions; providing for distribution of assets upon dissolution; clarifying ambiguous language; amending Minnesota Statutes 1982, sections 69.772, subdivisions 1, 2, and 3; 424A.01; 424A.02; 424A.03, subdivision 1; 424A.04; 424A.05; and 424A.08; proposing new law coded in Minnesota Statutes, chapter 424A; repealing Minnesota Statutes 1982, section 424.26.

The bill was read for the first time.

Clawson moved that S. F. No. 160 and H. F. No. 622, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 292, A bill for an act relating to public welfare; defining persons responsible for a child's care under the child abuse reporting law; amending Minnesota Statutes 1982, section 626.556, subdivisions 2, 7, and 10.

The bill was read for the first time.

Ellingson moved that S. F. No. 292 and H. F. No. 315, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 900, A bill for an act relating to retirement; teachers; definitions, coordination with social security benefits, and various administrative changes; amending Minnesota Statutes 1982, sections 354.05, subdivisions 2 and 35; 354.44, subdivision 5; 354.52, subdivision 4; and 354.63, subdivision 2; and Laws 1982, Third Special Session chapter 1, article II, section 7.

The bill was read for the first time.

Rodriguez, F., moved that S. F. No. 900 and H. F. No. 891, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1114, A bill for an act relating to natural resources; authorizing additions to and deletions from certain state parks and waysides; authorizing land acquisition in relation thereto.

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

S. F. No. 808, A bill for an act relating to the state seal; providing a description of the official state seal; amending Minnesota Statutes 1982, section 1.143; proposing new law coded in Minnesota Statutes, chapter 1; repealing Minnesota Statutes 1982, sections 1.144 and 358.02.

The bill was read for the first time and referred to the Committee on General Legislation and Veterans Affairs.

S. F. No. 857, A bill for an act relating to agriculture; excluding pipeline companies from certain restrictions on acquisition of agricultural land; amending Minnesota Statutes 1982, section 500.221, subdivision 2.

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

S. F. No. 1015, A bill for an act relating to cemeteries; requiring the state or political subdivision to obtain archaeologist services and to pay for removal of Indian burial grounds under certain circumstances; amending Minnesota Statutes 1982, section 307.08, subdivisions 2, 4, 8, and 10.

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

S. F. No. 53, A bill for an act relating to acknowledgement of instruments; providing that legal documents can be signed and

certified to be true under penalty of perjury in lieu of acknowledgement in the presence of a notary public; prescribing penalties; amending Minnesota Statutes 1982, section 609.48, subdivision 1, and by adding a subdivision; proposing new law coded in Minnesota Statutes, chapter 358.

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

S. F. No. 159, A bill for an act relating to occupations and professions; regulating chiropractic practice; providing rule-making authority for the board of chiropractic examiners; creating a legislative study commission; amending Minnesota Statutes 1982, sections 148.01; 148.06; and 148.08, and by adding a subdivision.

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

S. F. No. 275, A bill for an act relating to public utilities; specifying the regulatory treatment of certain expenses; amending Minnesota Statutes 1982, section 216B.16, by adding a subdivision.

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

S. F. No. 466, A bill for an act relating to game and fish; allowing the commissioner of natural resources to prohibit firing upon, over, or across a public highway for the purpose of taking migratory waterfowl in designated locations; amending Minnesota Statutes 1982, section 100.31.

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

S. F. No. 541, A bill for an act relating to counties; authorizing a jobs program.

The bill was read for the first time and referred to the Committee on Commerce and Economic Development.

S. F. No. 831, A bill for an act relating to elections; adopting court ordered congressional redistricting plan with minor adjustments; proposing new law coded in Minnesota Statutes, chapter 2; repealing Minnesota Statutes 1982, sections 2.741 to 2.811.

The bill was read for the first time and referred to the Committee on General Legislation and Veterans Affairs.

S. F. No. 843, A bill for an act relating to veterans; authorizing the commissioner of veterans affairs to accept gifts; revising the procedure for purchasing veterans grave markers; authorizing an imprest cash fund at veterans homes; providing for the disposal of abandoned property of veterans at veterans homes; amending Minnesota Statutes 1982, section 197.23; proposing new law coded in Minnesota Statutes, chapter 198; and repealing Minnesota Statutes 1982, section 198.055.

The bill was read for the first time.

Knuth moved that S. F. No. 843 and H. F. No. 892, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

CONSIDERATION UNDER RULE 1.10

Pursuant to rule 1.10, Rice requested immediate consideration of H. F. No. 76.

H. F. No. 76 was reported to the House.

Long moved to amend H. F. No. 76, the fourth engrossment, as follows:

Page 31, after line 9, insert:

"Sec. 18. [RECOMMENDATIONS CONCERNING ALLOCATION OF LIABILITY.]

The waste management board shall make recommendations to the legislature by November 1, 1983 regarding the allocation of liability among the owners, operators, and users of a hazardous waste disposal facility established pursuant to sections 115A.18 to 115A.30, including any recommended legislative changes, taking into consideration the need for the facility, the state's involvement in the facility, the need to protect the health, property and environment of the local community from injury and loss, and the need for incentives to encourage the development and use of alternatives to land disposal. The recommendations shall be made after consultation with all affected industries, including insurers, generators, transporters, disposers, and treaters of hazardous waste, individuals, including academic, scientific and legal professionals, and groups, including community and environmental groups."

Renumber the remaining sections accordingly

Page 31, line 12, delete "18 to 21" and insert "19 to 22"

Page 33, line 5, delete "19" and insert "20"

Page 33, line 14, delete "19" and insert "20"

Page 33, line 22, delete "19" and insert "20"

Page 35, line 21, delete "19" and insert "20"

Page 35, line 34, delete "19" and insert "20"

Page 35, line 35, delete "19" and insert "20"

Page 36, line 9, delete "19" and insert "20"

Page 36, line 23, delete "19" and insert "20"

Page 36, line 27, delete "19" and insert "20"

Page 36, line 30, delete "19" and insert "20"

Page 40, line 26, delete "18 to 21" and insert "19 to 22"

Page 40, line 28, delete "21" and insert "22"

Page 41, line 18, delete "26" and insert "27"

Page 41, line 23, delete "21" and insert "22"

The motion prevailed and the amendment was adopted.

Long moved to amend H. F. No. 76, the fourth engrossment, as amended, as follows:

Page 31, line 20, delete ", land treatment"

Page 32, after line 20, insert:

"Subd. 5. [LAND TREATMENT.] Hazardous waste destined for treatment in or on the land shall be taxed at the rate of \$32 per cubic yard."

Renumber the remaining subdivisions accordingly

The motion prevailed and the amendment was adopted.

Long moved to amend H. F. No. 76, the fourth engrossment, as amended, as follows:

Page 32, line 1, before the comma insert *"including waste being stored or physically, chemically or biologically treated prior to recycling or reuse"*

The motion prevailed and the amendment was adopted.

Forsythe moved to amend H. F. No. 76, the fourth engrossment, as amended, as follows:

Page 36, line 36, delete "*the manner provided*" and insert "*accordance with the provisions of chapter 14*"

Page 37, line 1, delete "*in section 16A.128*"

Page 38, line 10, delete "*charge*" and insert "*establish*"

Page 38, line 11, after "*fee*" insert "*in accordance with the provisions of chapter 14*"

A roll call was requested and properly seconded.

CALL OF THE HOUSE

On the motion of Long and on the demand of 10 members, a call of the House was ordered. The following members answered to their names:

Anderson, B.	Elioff	Knuth	Otis	Skoglund
Anderson, C.	Ellingson	Kostohryz	Pauly	Solberg
Anderson, R.	Erickson	Krueger	Peterson	Sparby
Battaglia	Evans	Kvam	Piepho	Stadum
Beard	Findlay	Larsen	Piper	Staten
Begich	Fjoslien	Levi	Price	Sviggum
Bennett	Forsythe	Long	Quinn	Thiede
Bergstrom	Frerichs	Ludeman	Quist	Tomlinson
Berkelman	Graba	Mann	Redalen	Tunheim
Bishop	Greenfield	Marsh	Reif	Uphus
Blatz	Gruenes	McDonald	Rice	Valan
Brandl	Gustafson	McKasy	Riveness	Valento
Brinkman	Haukoos	Minne	Rodriguez, C.	Vanasek
Burger	Heap	Munger	Rodriguez, F.	Vellenga
Carlson, D.	Heinitz	Murphy	Rose	Waltman
Carlson, L.	Himle	Nelson, D.	St. Onge	Welch
Clark, J.	Hoberg	Nelson, K.	Sarna	Welker
Clark, K.	Hoffman	Neuenschwander	Scheid	Welle
Clawson	Hokr	Norton	Schoenfeld	Wenzel
Cohen	Jacobs	O'Connor	Schreiber	Wigley
Coleman	Jennings	Ogren	Segal	Wynia
Dempsey	Jensen	Olsen	Shaver	Zaffke
DenOuden	Johnson	Omann	Shea	Speaker Sieben
Dimler	Kalis	Onnen	Sherman	
Eken	Knickerbocker	Osthoff	Simoneau	

Eken 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.

The question recurred on the Forsythe amendment and the roll was called.

Eken 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:

Anderson, R.	Evans	Hokr	Omann	Sherman
Bennett	Findlay	Jennings	Onnen	Stadum
Berkelman	Fjoslien	Johnson	Pauly	Swiggum
Bishop	Forsythe	Knickerbocker	Piepho	Thiede
Blatz	Frerichs	Kvam	Quist	Uphus
Burger	Gruenes	Levi	Redalen	Valan
Carlson, D.	Haukoos	Ludeman	Reif	Valento
Dempsey	Heap	Marsh	Rose	Waltman
DenOuden	Heinitz	McDonald	Schreiber	Welker
Dimler	Himle	McKasy	Seaberg	Wigley
Erickson	Hoberg	Olsen	Shaver	Zaffke

Those who voted in the negative were:

Anderson, B.	Elioff	McEachern	Price	Sparby
Anderson, G.	Ellingson	Metzen	Quinn	Staten
Battaglia	Graba	Minne	Rice	Swanson
Beard	Greenfield	Munger	Riveness	Tomlinson
Begich	Gustafson	Murphy	Rodriguez, C.	Tunheim
Bergstrom	Hoffman	Nelson, D.	Rodriguez, F.	Vanasek
Brandl	Jacobs	Nelson, K.	St. Onge	Vellenga
Brinkman	Jensen	Neuenschwander	Sarna	Voss
Carlson, L.	Kalis	Norton	Scheid	Welch
Clark, J.	Knuth	O'Connor	Schoenfeld	Welle
Clark, K.	Kostohryz	Ogren	Segal	Wenzel
Clawson	Krueger	Osthoff	Shea	Wynia
Cohen	Larsen	Otis	Simoneau	Speaker Sieben
Coleman	Long	Peterson	Skoglund	
Eken	Mann	Piper	Solberg	

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

Nelson, D., moved to amend H. F. No. 76, the fourth engrossment, as amended, as follows:

Page 16, delete lines 24 to 28

Page 16, line 29, delete "3" and insert "2"

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

Bishop moved to amend H. F. No. 76, the fourth engrossment, as amended, as follows:

Page 15, delete lines 27 to 30.

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

Olsen, Carlson, Knickerbocker, Bennett and Redalen moved to amend H. F. No. 76, the fourth engrossment, as amended, as follows:

Page 30, line 29, delete "22" and insert "24"

Page 31, line 12, delete the second "to" and insert a new comma and after "21" insert ", 22, and 23"

Page 31, after line 31, insert:

"Sec. 19. [. . . .] [HAZARDOUS SUBSTANCE COMPENSATION TRUST ACCOUNT, DEFINITIONS.]

Subdivision 1. [APPLICATION.] The definitions provided in this section and section 2 apply to sections 19 and 20.

Subd. 2. [COMMISSIONER.] "Commissioner" means the commissioner of public welfare.

Subd. 3. [DEPARTMENT.] "Department" means the department of public welfare.

Sec. 20. [HAZARDOUS SUBSTANCE COMPENSATION TRUST ACCOUNT.]

Subdivision 1. [ESTABLISHMENT.] There is hereby established within the environmental response, compensation, and compliance fund a hazardous substance compensation trust account.

Subd. 2. [CLAIMS FOR COMPENSATION FROM TRUST ACCOUNT.] Any person may file a claim with the commissioner pursuant to this section for compensation for death, injury, or disease caused by a release, in Minnesota, of a hazardous substance when:

(a) the person responsible for the release of the hazardous substance is unknown or cannot with reasonable diligence be determined;

(b) the loss is not compensable because the hazardous substance was placed or came to be located in or on the facility on or before the effective date of this act, or the judgment could not be satisfied in whole or in part against the person determined to be liable for the release of a hazardous substance; or

(c) the claimant elects to file a claim against the trust account rather than proceed directly against a person responsible under this act or any other law including common law.

Subd. 3. [CLAIMS; FORMS AND PROCEDURES.] *The department shall promulgate rules for filing claims pursuant to subdivision 2 which shall provide for the following in accordance with section 8 of this act:*

(a) *a sworn verification by the claimant of the claim to the best of the claimant's knowledge;*

(b) *evidence of the release of a hazardous substance claimed to be the cause of the death, injury, or disease;*

(c) *evidence of the exposure of the claimant to the hazardous substance;*

(d) *evidence that the hazardous substance to which the claimant was exposed was the same kind of substance that was released from the facility;*

(e) *evidence that the death, injury, disease, or loss suffered by the claimant is caused or significantly contributed to by exposure to the hazardous substance in an amount and duration experienced by the claimant; and*

(f) *certification of the injury or loss and expenses for such injury or loss made by hospitals, physicians, or other qualified certificates including a claimant's federal income tax return.*

Subd. 4. [PENALTY.] *Any person who knowingly gives or causes to be given any false statement or information as a part of any such claim shall be guilty of a gross misdemeanor and shall upon conviction be fined up to \$1,000 or imprisoned for not more than one year or both.*

Subd. 5. [DECISIONS; TIME.] *All decisions rendered by the commissioner shall be in writing with notification to all appropriate parties, and shall be rendered within 90 days of submission of a claim to the department unless all the parties to the claim agree in writing to an extension of time. Such decision shall be considered a final agency action for the purposes of judicial review of such decision by any party to the proceedings resulting in such decision.*

Subd. 6. [COMPENSABLE LOSSES.] *The following losses shall be compensable pursuant to this section, provided that the commissioner has found that the claimant has established, in a manner consistent with section 7 of this act, that the death, injury, or disease was proximately caused by the release of a hazardous substance:*

(a) *100 percent of uninsured out-of-pocket medical expenses for up to five years from the onset of treatment;*

(b) 80 percent of any uninsured actual lost wages or business income in lieu of wages, caused by injury to the claimant or the claimant's property not to exceed \$20,000 per year for five years.

Subd. 7. [LIMITATIONS.] No claim may be presented to the commissioner pursuant to this section later than six years after the injury giving rise to the claim was discovered, or January 1, 1985, whichever is later.

Subd. 8. [COMPENSATION; PRECLUSION OF INDEMNIFICATION OR REIMBURSEMENT FROM OTHER SOURCES.] Compensation of any loss pursuant to this section shall preclude indemnification or reimbursement from any other source for the identical loss, and indemnification or reimbursement from any other source shall preclude compensation pursuant to this section.

Subd. 9. [COMPENSATION, DECISION, OR SETTLEMENT; ADMISSIBILITY AS EVIDENCE.] No compensation or decision under this section shall be admissible as evidence of any issue of fact or law in any proceeding brought under any other section of this act or under any other provision of law, including common law. In addition, no settlement reached pursuant to this section shall be admissible as evidence in any such proceeding.

Subd. 10. [SUBROGATION BY STATE.] Compensation of any loss pursuant to this section shall be subject to the state's acquiring, by subrogation, all rights of the claimant to recover such loss from the party determined to be liable therefor. Upon the request of the commissioner, the attorney general shall commence an action to recover any amount paid in compensation for any loss pursuant to this section against any party who is liable to the claimant for any loss compensable pursuant to this section. Money recovered pursuant to this section shall be deposited in the trust account."

Page 33, line 5, delete "19" and insert "21"

Page 33, line 14, delete "19" and insert "21"

Page 33, line 22, delete "19" and insert "21"

Page 35, line 21, delete "19" and insert "21"

Page 35, line 34, delete "19" and insert "21"

Page 35, line 35, delete "19" and insert "21"

Page 36, line 23, delete "19" and insert "21"

Page 36, line 27, delete "19" and insert "21"

Page 36, line 30, delete "19" and insert "21"

Page 40, line 21, after "section 17," insert "*The legislature may, commencing January 15, 1984, transfer any amount necessary from the fund to the hazardous substance compensation trust account to be used as a revolving fund by the commissioner for the payment of awards pursuant to section 19, and for administrative costs reasonably associated with processing claims made under that section. Claims approved by the commissioner under authority of section 19 shall be paid from the hazardous substance compensation trust account, except that claims against or presented to the commissioner shall not be paid in excess of the money available in the account. An unpaid claim shall be paid only when sufficient additional money is deposited, collected, transferred, appropriated, or otherwise added to that account.*"

Page 40, line 26, delete "to" and insert a new comma and after "21" insert ", 22, and 23"

Page 40, line 28, delete "21" and insert "23"

Page 41, line 23, delete "21" and insert "23"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 9, after the semicolon insert "creating a hazardous substance compensation trust account;"

A roll call was requested and properly seconded.

The question was taken on the amendment and the roll was called.

Eken moved that those not voting be excused from voting. The motion prevailed.

There were 54 yeas and 71 nays as follows:

Those who voted in the affirmative were:

Bennett	Fjoslien	Johnson	Pauly	Stadum
Bishop	Forsythe	Knickerbocker	Piepho	Sviggum
Blatz	Frerichs	Kvam	Quist	Thiede
Burger	Gruenes	Levi	Redalen	Uphus
Carlson, D.	Haukoos	Ludeman	Reif	Valan
Dempsey	Heap	Marsh	Rose	Valento
DenOuden	Heinitz	McDonald	Schoenfeld	Waltman
Dimler	Himle	McKasy	Schreiber	Welker
Erickson	Hoberg	Olsen	Seaberg	Wigley
Evans	Hokr	Omamn	Shaver	Zaffke
Findlay	Jennings	Onnen	Sherman	

Those who voted in the negative were:

Anderson, B.	Coleman	Mann	Piper	Swanson
Anderson, G.	Eken	McEachern	Price	Tomlinson
Anderson, R.	Elioff	Metzen	Rice	Tunheim
Battaglia	Ellingson	Minne	Riveness	Vanasek
Beard	Graba	Munger	Rodriguez, C.	Vellenga
Begich	Greenfield	Murphy	Rodriguez, F.	Voss
Bergstrom	Gustafson	Nelson, D.	St. Onge	Welch
Berkelman	Hoffman	Nelson, K.	Sarna	Welle
Brandl	Jacobs	Neuenschwander	Scheid	Wenzel
Brinkman	Jensen	Norton	Segal	Wynia
Carlson, L.	Knuth	O'Connor	Shea	Speaker Sieben
Clark, J.	Kostohryz	Ogren	Simoneau	
Clark, K.	Krueger	Osthoff	Skoglund	
Clawson	Larsen	Otis	Sparby	
Cohen	Long	Peterson	Staten	

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

Himle moved to amend H. F. No. 76, the fourth engrossment, as amended, as follows:

Page 9, line 25, after the word "party" insert "*, including the claimant*"

Page 12, line 35, after the word "party" insert "*, including the claimant*"

Page 16, line 6, delete "*among the defendants*" and insert "*among the parties, including the claimant*"

Page 16, line 7, delete "*defendant*" and insert "*party*"

Page 16, line 9, delete "*defendant*" and insert "*party*"

Page 16, line 11, delete "*defendant's*" and insert "*party's*"

Page 16, line 17, delete "*defendant*" and insert "*party*"

Page 16, line 19, delete "*defendant*" and insert "*party*"

Page 16, line 22, delete "*defendant*" and insert "*party*"

Renumber the sections, subdivisions, or clauses and correct internal cross-references as may be required by this amendment.

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

Reif, Graba and Johnson were excused for the remainder of today's session.

Sviggum moved to amend H. F. No. 76, the fourth engrossment, as amended, as follows:

Page 18, after line 30, insert the following new section:

"Sec. 13 [115B.13] [RETROACTIVE APPLICATION.]

Notwithstanding any provision or rule of law, if a defendant shows that his hazardous substance was placed or came to be located in or on the facility on or before April 1, 1982, sections 5, 6, 7, and 9 do not apply to any claim or proceeding for personal injury, death, disease, or economic loss or other harm or loss subject to Section 5."

Renumber the sections, subdivisions, or clauses and correct internal cross-references as may be required by this amendment.

A roll call was requested and properly seconded.

The question was taken on the amendment and the roll was called.

Eken moved that those not voting be excused from voting. The motion prevailed.

There were 51 yeas and 70 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Erickson	Jennings	Piepho	Valan
Bennett	Findlay	Knickerbocker	Quist	Valento
Berkelman	Fjoslien	Kvam	Redalen	Waltman
Bishop	Forsythe	Levi	Schreiber	Welker
Blatz	Frerichs	Ludeman	Seaberg	Wenzel
Brinkman	Gruenes	Marsh	Shaver	Wigley
Burger	Haukoos	McDonald	Sherman	Zaffke
Carlson, D.	Heap	McKasy	Stadum	
Dempsey	Heinitz	Omann	Sviggum	
DenOuden	Himle	Onnen	Thiede	
Dimler	Hoberg	Pauly	Uphus	

Those who voted in the negative were:

Anderson, C.	Elioff	Mann	Price	Skoglund
Anderson, R.	Ellingson	Minne	Quinn	Solberg
Battaglia	Evans	Munger	Rice	Sparby
Beard	Greenfield	Murphy	Riveness	Staten
Begich	Gustafson	Nelson, D.	Rodriguez, C.	Swanson
Bergstrom	Hoffman	Nelson, K.	Rodriguez, F.	Tomlinson
Brandl	Hokr	Norton	Rose	Tunheim
Carlson, L.	Jacobs	O'Connor	St. Onge	Vanasek
Clark, J.	Jensen	Ogren	Sarna	Vellenga
Clark, K.	Knuth	Olsen	Scheid	Voss
Clawson	Kostohryz	Osthoff	Schoenfeld	Welch
Cohen	Krueger	Otis	Segal	Welle
Coleman	Larsen	Peterson	Shea	Wynia
Eken	Long	Piper	Simoneau	Speaker Sieben

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

Carlson, D., moved to amend H. F. No. 76, the fourth engrossment, as amended, as follows:

Page 8, delete lines 33 to 36.

Page 12, delete lines 17 to 20.

Renumber the sections, subdivisions, or clauses and correct internal cross-references as may be required by this amendment.

A roll call was requested and properly seconded.

The question was taken on the amendment and the roll was called.

Vanasek moved that those not voting be excused from voting. The motion prevailed.

There were 34 yeas and 76 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Dimler	Himle	Onnen	Uphus
Anderson, R.	Erickson	Hoberg	Quist	Valan
Bishop	Evans	Hokr	Redalen	Valento
Burger	Fjoslien	Kvam	Seaberg	Welker
Carlson, D.	Frerichs	Ludeman	Sherman	Wenzel
Dempsey	Haukoos	Marsh	Stadum	Wigley
DenOuden	Heinitz	McDonald	Thiede	

Those who voted in the negative were:

Battaglia	Gruenes	Minne	Price	Staten
Beard	Gustafson	Munger	Quinn	Swanson
Begich	Hoffman	Murphy	Rice	Tomlinson
Bennett	Jacobs	Nelson, D.	Rodriguez, C.	Tunheim
Bergstrom	Jensen	Nelson, K.	Rodriguez, F.	Vanasek
Brandl	Knickerbocker	Norton	Rose	Vellenga
Carlson, L.	Knuth	O'Connor	St. Onge	Voss
Clark, J.	Kostohryz	Ogren	Sarna	Welch
Clark, K.	Krueger	Olsen	Scheid	Welle
Cohen	Larsen	Omann	Schoenfeld	Wynia
Coleman	Levi	Osthoff	Segal	Zaffke
Eken	Long	Otis	Shea	Speaker Sieben
Elioff	Mann	Pauly	Simoneau	
Ellingson	McEachern	Peterson	Skoglund	
Forsythe	McKasy	Piepho	Solberg	
Greenfield	Metzen	Piper	Sparby	

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

Carlson, D., moved to amend H. F. No. 76, the fourth engrossment, as amended, as follows:

Page 12, delete lines 17 to 20 and insert:

"Subd. 4. [LIABILITY LIMITS.] The liability under this section for political subdivisions or small businesses as defined in section 645.445, subdivision 2, shall not exceed

(a) \$300,000 for a claim of death, personal injury, or economic loss by any one claimant;

(b) \$600,000 for any number of claims arising out of a single occurrence.

The liability under this section for any other responsible person shall not exceed

(a) \$1,500,000 for a claim of death, personal injury, or economic loss by any one claimant;

(b) \$3,000,000 for any number of claims arising out of a single occurrence."

Renumber the sections, subdivisions, or clauses and correct internal cross-references as may be required by this amendment.

A roll call was requested and properly seconded.

The question was taken on the amendment and the roll was called.

Eken moved that those not voting be excused from voting. The motion prevailed.

There were 64 yeas and 59 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Findlay	Kalis	Onnen	Sviggum
Anderson, G.	Fjoslien	Knickerbocker	Pauly	Thiede
Anderson, R.	Forsythe	Krueger	Piepho	Tunheim
Bennett	Frerichs	Kvam	Quist	Uphus
Bishop	Gruenes	Levi	Redalen	Valan
Brinkman	Haukoos	Ludeman	Rose	Valento
Burger	Heap	Mann	Schoenfeld	Waltman
Carlson, D.	Heinitz	Marsh	Schreiber	Welch
Dempsey	Himle	McDonald	Seaberg	Welker
DenOuden	Hoberg	McKasy	Shaver	Wenzel
Dimler	Hoffman	Neuenschwander	Shea	Wigley
Erickson	Hokr	Olsen	Sherman	Zaffke
Evans	Jennings	Omann	Stadum	

Those who voted in the negative were:

Battaglia	Eken	Metzen	Piper	Solberg
Beard	Elioff	Minne	Price	Sparby
Begich	Ellingson	Munger	Quinn	Staten
Bergstrom	Greenfield	Murphy	Rice	Swanson
Berkelman	Gustafson	Nelson, D.	Rodriguez, C.	Tomlinson
Brandl	Jacobs	Nelson, K.	Rodriguez, F.	Vanasek
Carlson, L.	Jensen	Norton	St. Onge	Vellenga
Clark, J.	Knuth	O'Connor	Sarna	Voss
Clark, K.	Kostohryz	Ogren	Scheid	Welle
Clawson	Larsen	Osthoff	Segal	Wynia
Cohen	Long	Otis	Simoneau	Speaker Sieben
Coleman	McEachern	Peterson	Skoglund	

The motion prevailed and the amendment was adopted.

Dempsey moved to amend H. F. No. 76, the fourth engrossment, as amended, as follows:

Page 4, line 21, delete "if" and insert "*unless the plaintiff shows by a preponderance of the evidence that*"

Page 4, line 22, after "were" insert "not"

A roll call was requested and properly seconded.

The question was taken on the amendment and the roll was called.

Eken moved that those not voting be excused from voting. The motion prevailed.

There were 54 yeas and 64 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Erickson	Hokr	Olsen	Stadum
Anderson, R.	Evans	Jennings	Omam	Swiggum
Bennett	Findlay	Kalis	Onnen	Thiede
Bishop	Fjoslien	Knickerbocker	Piepho	Uphus
Blatz	Frerichs	Kvam	Quist	Valan
Brinkman	Gruenes	Levi	Redalen	Valento
Burger	Haukoos	Ludeman	Rose	Waltman
Carlson, D.	Heap	Mann	Schreiber	Welker
Dempsey	Heinitz	Marsh	Seaberg	Wigley
DenOuden	Himle	McDonald	Shaver	Zaffke
Dimler	Hoberg	McKasy	Sherman	

Those who voted in the negative were:

Anderson, G.	Brandl	Eken	Hoffman	Larsen
Battaglia	Carlson, L.	Elioff	Jacobs	Long
Beard	Clark, J.	Ellingson	Jensen	Minne
Begich	Clark, K.	Forsythe	Knuth	Munger
Bergstrom	Cohen	Greenfield	Kostohryz	Murphy
Berkelman	Coleman	Gustafson	Krueger	Nelson, D.

Nelson, K.	Peterson	Sarna	Solberg	Vellenga
Neuenschwander	Piper	Scheid	Sparby	Welch
Norton	Price	Schoenfeld	Staten	Welle
O'Connor	Rice	Segal	Swanson	Wenzel
Ogren	Rodriguez, C.	Shea	Tomlinson	Wynia
Osthoff	Rodriguez, F.	Simoneau	Tunheim	Speaker Sieben
Otis	St. Onge	Skoglund	Vanasek	

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

Dempsey moved to amend H. F. No. 76, the fourth engrossment, as amended, as follows:

Page 4, line 24, after the period insert "*If a defendant in an action brought under section 5 produces evidence that a release is within this clause, the plaintiff must show by a preponderance of the evidence that the release for which the defendant is responsible is not within this clause.*"

A roll call was requested and properly seconded.

The question was taken on the amendment and the roll was called.

Eken moved that those not voting be excused from voting. The motion prevailed.

There were 52 yeas and 64 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Evans	Knickerbocker	Piepho	Uphus
Bennett	Findlay	Krueger	Quist	Valan
Bishop	Fjoslien	Kvam	Redalen	Valento
Blatz	Frerichs	Levi	Rose	Waltman
Brinkman	Haukoos	Ludeman	Schreiber	Welker
Burger	Heap	Marsh	Seaberg	Wenzel
Carlson, D.	Heinitz	McDonald	Shaver	Wigley
Dempsey	Himle	McKasy	Sherman	Zaffke
DenOuden	Hoberg	Olsen	Stadum	
Dimler	Jennings	Omann	Sviggum	
Erickson	Kalis	Onnen	Thiede	

Those who voted in the negative were:

Anderson, G.	Elioff	Long	O'Connor	Sarna
Battaglia	Ellingson	Mann	Ogren	Scheid
Beard	Forsythe	McEachern	Osthoff	Schoenfeld
Begich	Greenfield	Metzen	Otis	Segal
Berkelman	Gustafson	Minne	Peterson	Shea
Brandl	Hoffman	Munger	Price	Simoneau
Carlson, L.	Jacobs	Murphy	Rice	Skoglund
Clark, J.	Jensen	Nelson, D.	Riveness	Solberg
Clark, K.	Knuth	Nelson, K.	Rodriguez, C.	Sparby
Cohen	Kostohryz	Neuenschwander	Rodriguez, F.	Staten
Eken	Larsen	Norton	St. Onge	Swanson

Tomlinson
TunheimVanasek
VellengaVoss
WelchWelle
Wynia

Speaker Sieben

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

Dempsey and Fjoslien moved to amend H. F. No. 76, the fourth engrossment, as amended, as follows:

Page 7, after line 21, insert:

"Subd 3. [FAMILY FARM OPERATION.] If a person who is responsible for a release or threatened release as provided in subdivision 1 is an owner, operator, family member, or is employed by a family farm or family farm corporation as defined in section 500.24, he is subject to liability under sections 4 or 5 only if he failed to exercise due care with respect to the hazardous substance."

Page 7, line 22, delete "3" and insert "4"

A roll call was requested and properly seconded.

The question was taken on the amendment and the roll was called.

Eken moved that those not voting be excused from voting. The motion prevailed.

There were 55 yeas and 63 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Dimler	Jennings	Onnen	Stadum
Anderson, G.	Erickson	Kalis	Piepho	Sviggum
Anderson, R.	Evans	Knickerbocker	Quist	Thiede
Bennett	Findlay	Krueger	Redalen	Uphus
Bishop	Fjoslien	Kvam	Rose	Valan
Blatz	Frerichs	Levi	Schoenfeld	Valento
Brinkman	Haukoos	Ludeman	Schreiber	Waltman
Burger	Heap	Marsh	Seaberg	Welker
Carlson, D.	Heinitz	McDonald	Shaver	Welle
Dempsey	Himle	McKasy	Shea	Wigley
DenOuden	Hoberg	Omann	Sherman	Zaffke

Those who voted in the negative were:

Battaglia	Clark, K.	Greenfield	Larsen	Nelson, K.
Beard	Cohen	Gustafson	Long	Neuenschwander
Begich	Coleman	Hoffman	Mann	Norton
Berkelman	Eken	Jacobs	Minne	O'Connor
Brandl	Elioff	Jensen	Munger	Ogren
Carlson, L.	Ellingson	Knuth	Murphy	Olsen
Clark, J.	Forsythe	Kostohryz	Nelson, D.	Osthoff

Otis	Riveness	Segal	Swanson	Welch
Pauly	Rodriguez, C.	Simoneau	Tomlinson	Wenzel
Peterson	Rodriguez, F.	Skoglund	Tunheim	Wynia
Piper	St. Onge	Solberg	Vanasek	Speaker Sieben
Price	Sarna	Sparby	Vellenga	
Rice	Scheid	Staten	Voss	

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

Dempsey and Fjoslien moved to amend H. F. No. 76, the fourth engrossment, as amended, as follows:

Page 7, after line 21, insert:

"Subd. 3. [FAMILY FARM OPERATION.] If the hazardous substance released or threatening to be released from a facility was placed or came to be located in the facility before the effective date of this section and the person who is responsible for the release or threatened release as provided in subdivision 1 is an owner, operator, family member, or is employed by a family farm or family farm corporation as defined in section 500.24, he is subject to liability under sections 4 or 5 only if he failed to exercise due care with respect to the hazardous substance."

Page 7, line 22, delete "3" and insert "4"

A roll call was requested and properly seconded.

The question was taken on the amendment and the roll was called.

Vanasek moved that those not voting be excused from voting. The motion prevailed.

There were 55 yeas and 61 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Evans	Kalis	Olsen	Stadum
Anderson, R.	Findlay	Knickerbocker	Omann	Swiggum
Bishop	Fjoslien	Krueger	Onnen	Thiede
Blatz	Frerichs	Kvam	Piepho	Uphus
Brinkman	Haukoos	Levi	Quist	Valan
Burger	Heap	Ludeman	Redalen	Walman
Carlson, D.	Heinitz	Mann	Schoenfeld	Welker
Dempsey	Himle	Marsh	Shaver	Welle
DenOuden	Hoberg	McDonald	Shea	Wenzel
Dimler	Hokr	McKasy	Sherman	Wigley
Erickson	Jennings	Neuenschwander	Sparby	Zaffke

Those who voted in the negative were:

Battaglia	Beard	Begich	Bennett	Berkelman
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Brandl	Hoffman	Nelson, D.	Rodriguez, C.	Tomlinson
Carlson, L.	Jacobs	Nelson, K.	Rodriguez, F.	Tunheim
Clark, J.	Jensen	Norton	Rose	Vanasek
Clark, K.	Knuth	O'Connor	St. Onge	Vellenga
Cohen	Kostohryz	Ogren	Sarna	Voss
Coleman	Larsen	Osthoff	Scheid	Welch
Eken	Long	Otis	Segal	Wynia
Elioff	McEachern	Peterson	Simoneau	Speaker Sieben
Ellingson	Metzen	Piper	Skoglund	
Forsythe	Minne	Price	Solberg	
Greenfield	Munger	Rice	Staten	
Gustafson	Murphy	Riveness	Swanson	

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

Dempsey moved to amend H. F. No. 76, the fourth engrossment, as amended, as follows:

Page 4, line 23, delete "and" and insert "or"

A roll call was requested and properly seconded.

The question was taken on the amendment and the roll was called.

Eken moved that those not voting be excused from voting. The motion prevailed.

There were 57 yeas and 62 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Fjoslien	Krueger	Pauly	Thiede
Anderson, G.	Forsythe	Kvam	Piepho	Uphus
Anderson, R.	Frerichs	Levi	Quist	Valan
Bishop	Haukoos	Ludeman	Redalen	Valento
Blatz	Heap	Mann	Rose	Waltman
Burger	Heinitz	Marsh	Schoenfeld	Welker
Carlson, D.	Himle	McDonald	Seaberg	Wenzel
Dempsey	Hoberg	McEachern	Shaver	Wigley
DenOuden	Hokr	McKasy	Shea	Zaffke
Erickson	Jennings	Olsen	Sherman	
Evans	Kalis	Omann	Stadum	
Findlay	Knickerbocker	Onnen	Sviggum	

Those who voted in the negative were:

Battaglia	Dimler	Kostohryz	Ogren	Scheid
Beard	Eken	Larsen	Osthoff	Schreiber
Begich	Elioff	Long	Otis	Segal
Berkelman	Ellingson	Metzen	Peterson	Simoneau
Brandl	Greenfield	Minne	Piper	Skoglund
Carlson, L.	Gruenes	Munger	Price	Solberg
Clark, J.	Gustafson	Murphy	Rice	Sparby
Clark, K.	Hoffman	Nelson, D.	Riveness	Staten
Clawson	Jacobs	Nelson, K.	Rodriguez, C.	Swanson
Cohen	Jensen	Norton	Rodriguez, F.	Tomlinson
Coleman	Knuth	O'Connor	Sarna	Tunheim

Vanasek
Vellenga

Voss
Welch

Welle

Wynia

Speaker Sieben

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

Bishop moved to amend H. F. No. 76, the fourth engrossment, as amended, as follows:

Page 18, after line 30, insert the following new section:

"Sec. 13. [115B.13] [RETROACTIVE APPLICATION.]

Notwithstanding any provision or rule of law, if a defendant shows that his hazardous substance was placed or came to be located in or on the facility on or before April 1, 1973, sections 5, 6, 7, and 9 do not apply to any claim or proceeding for personal injury, death, disease, or economic loss or other harm or loss subject to Section 5."

Renumber the sections, subdivisions, or clauses and correct internal cross-references as may be required by this amendment.

A roll call was requested and properly seconded.

The question was taken on the amendment and the roll was called.

Eken moved that those not voting be excused from voting. The motion prevailed.

There were 58 yeas and 63 nays as follows:

Those who voted in the affirmative were:

Bennett	Fjoslien	Kalis	Omann	Svigum
Bishop	Forsythe	Knickerbocker	Onnen	Thiede
Blatz	Fretichs	Krueger	Pauly	Uphus
Brinkman	Gruenes	Kvam	Piepho	Valan
Burger	Haukoos	Levi	Quist	Valento
Carlson, D.	Heap	Ludeman	Redalen	Waltman
Dempsey	Heinitz	Marsh	Rose	Welker
DenOuden	Himle	McDonald	Schreiber	Wenzel
Dimler	Hoberg	McEachern	Seaberg	Wigley
Erickson	Hokr	McKasy	Shaver	Zaffke
Evans	Jacobs	Metzen	Sherman	
Findlay	Jennings	O'Connor	Stadum	

Those who voted in the negative were:

Anderson, G.	Bergstrom	Clark, K.	Elioff	Jensen
Anderson, R.	Berkelman	Clawson	Ellingson	Knuth
Battaglia	Brandl	Cohen	Greenfield	Kostohryz
Beard	Carlson, L.	Coleman	Gustafson	Larsen
Begich	Clark, J.	Eken	Hoffman	Long

Mann	Olsen	Rodriguez, C.	Skoglund	Vellenga
Minne	Osthoff	Rodriguez, F.	Solberg	Voss
Munger	Otis	St. Onge	Sparby	Welch
Murphy	Peterson	Sarna	Staten	Welle
Nelson, D.	Piper	Scheid	Swanson	Wynia
Nelson, K.	Price	Segal	Tomlinson	Speaker Sieben
Norton	Rice	Shea	Tunheim	
Ogren	Riveness	Simoneau	Vanasek	

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

Piepho moved to amend H. F. No. 76, the fourth engrossment, as amended, as follows:

Page 18, after line 22, insert:

"Sec. 12. [115B.12] [LIMIT ON LEGAL FEES.]

No claim for legal services or disbursements pertaining to any demand made or suit or proceeding which includes a cause of action brought pursuant to section 5 is an enforceable lien against any award, settlement, or judgment in favor of claimant or is valid or binding in any other respect unless approved in writing by a court. No claim made or paid for legal services, costs, and disbursements pertaining to any demand made or suit or proceeding brought pursuant to section 5 shall be more than 15 percent of the total award, settlement, or judgment in favor of claimant. Application to exceed this limitation upon a showing of extraordinary circumstances may be made by claimant's attorneys to the judge who presided over the suit or proceeding."

Renumber the remaining sections and correct cross references accordingly

A roll call was requested and properly seconded.

The question was taken on the amendment and the roll was called.

Eken moved that those not voting be excused from voting. The motion prevailed.

There were 51 yeas and 68 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Burger	Erickson	Gruenes	Hoberg
Anderson, R.	Carlson, D.	Evans	Haukoos	Hokr
Bennett	Dempsey	Findlay	Heap	Jennings
Bishop	DenOuden	Fjoslien	Heinitz	Knickerbocker
Blatz	Dimler	Frerichs	Himle	Kvam

Levi	Onnen	Seaberg	Uphus	Wigley
Ludeman	Pauly	Shaver	Valan	Zaffke
McDonald	Piepho	Sherman	Valento	
McKasy	Quist	Stadum	Voss	
Olsen	Redalen	Svigum	Waltman	
Omamm	Rose	Thiede	Welker	

Those who voted in the negative were:

Anderson, C.	Ellingson	Minne	Rice	Sparby
Battaglia	Greenfield	Munger	Riveness	Staten
Beard	Gustafson	Murphy	Rodriguez, C.	Swanson
Begich	Hoffman	Nelson, D.	Rodriguez, F.	Tomlinson
Bergstrom	Jacobs	Nelson, K.	St. Onge	Tunheim
Berkelman	Jensen	Neuenschwander	Sarna	Vanasek
Brandl	Kalis	Norton	Scheid	Vellenga
Carlson, L.	Knuth	O'Connor	Schoenfeld	Welch
Clark, J.	Kostohryz	Ogren	Schreiber	Welle
Clark, K.	Krueger	Osthoff	Segal	Wenzel
Cohen	Larsen	Otis	Shea	Wynia
Coleman	Long	Peterson	Simoneau	Speaker Sieben
Eken	Mann	Piper	Skoglund	
Elioff	Metzen	Price	Solberg	

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

Halberg was excused for the remainder of today's session.

Schoenfeld moved to amend H. F. No. 76, the fourth engrossment, as amended, as follows:

In the Carlson, D., amendment previously adopted, delete lines 13 and 14.

Carlson, D., moved to amend the Schoenfeld amendment to H. F. No. 76, as follows:

Delete the words "lines 13 and 14" and insert "\$3,000,000" and insert "\$6,000,000"

A roll call was requested and properly seconded.

The question was taken on the Carlson, D., amendment to the Schoenfeld amendment and the roll was called.

Eken moved that those not voting be excused from voting. The motion prevailed.

There were 61 yeas and 62 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Bennett	Brinkman	Dempsey	Erickson
Anderson, C.	Bishop	Burger	DenOuden	Findlay
Anderson, R.	Blatz	Carlson, D.	Dimler	Fjoslien

Forsythe	Kalis	Olsen	Shaver	Waltman
Frerichs	Knickerbocker	Omann	Shea	Welch
Cruenes	Kvam	Onnen	Sherman	Welker
Hankoos	Levi	Pauly	Stadum	Welle
Heap	Ludeman	Piepho	Sviggun	Wigley
Heinitz	Mann	Quist	Thiede	Zaffke
Himle	Marsh	Redalen	Tunheim	
Hoberg	McDonald	Rose	Uphus	
Hokr	McKasy	Schreiber	Valan	
Jennings	Neuenschwander	Seaberg	Valento	

Those who voted in the negative were:

Battaglia	Ellingson	Minne	Quinn	Sparby
Beard	Evans	Munger	Rice	Staten
Begich	Greenfield	Murphy	Riveness	Swanson
Bergstrom	Gustafson	Nelson, D.	Rodriguez, C.	Tomlinson
Brandl	Hoffman	Nelson, K.	Rodriguez, F.	Vanasek
Carlson, L.	Jacobs	Norton	St. Onge	Vellenga
Clark, J.	Knuth	O'Connor	Sarna	Voss
Clark, K.	Kostohryz	Ogren	Scheid	Wenzel
Clawson	Krueger	Osthoff	Schoenfeld	Wynia
Cohen	Larsen	Otis	Segal	Speaker Sieben
Coleman	Long	Peterson	Simoneau	
Eken	McEachern	Piper	Skoglund	
Elioff	Metzen	Price	Solberg	

The motion did not prevail and the Carlson, D., amendment to the Schoenfeld amendment was not adopted.

The question recurred on the Schoenfeld amendment to H. F. No. 76, the fourth engrossment, as amended by the Carlson, D., amendment. The motion prevailed and the amendment was adopted.

H. F. No. 76, A bill for an act relating to the environment; establishing an environmental response, compensation and compliance fund to pay for removal and remedial action associated with certain hazardous substances released into the environment and for other purposes; providing for liability for cleanup costs, personal injury, economic loss, and damage to natural resources resulting from releases of hazardous substances; imposing taxes, fees, and penalties; providing for injunctive relief; appropriating money; amending Minnesota Statutes 1982, sections 115A.24, subdivision 1; 466.01, by adding a subdivision; and 466.04, subdivision 1; proposing new law coded in Minnesota Statutes, chapter 116; proposing new law coded as Minnesota Statutes, chapter 115B; repealing Minnesota Statutes 1982, section 115A.24, 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.

Eken moved that those not voting be excused from voting. The motion prevailed.

There were 97 yeas and 28 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Eken	Mann	Piepho	Skoglund
Anderson, G.	Elioff	Marsh	Piper	Solberg
Anderson, R.	Ellingson	McEachern	Price	Sparby
Battaglia	Evans	McKasy	Quinn	Staten
Beard	Forsythe	Metzen	Quist	Swanson
Begich	Greenfield	Minne	Redalen	Tomlinson
Bennett	Gruenes	Munger	Rice	Tunheim
Bergstrom	Gustafson	Murphy	Riveness	Vanasek
Berkelman	Himle	Nelson, D.	Rodriguez, C.	Vellenga
Bishop	Hoffman	Nelson, K.	Rodriguez, F.	Voss
Blatz	Hokr	Neuenschwander	Rose	Waltman
Brandl	Jacobs	Norton	St. Onge	Welch
Brinkman	Jensen	O'Connor	Sarna	Welle
Carlson, D.	Kalis	Ogren	Scheid	Wenzel
Carlson, L.	Knickerbocker	Olsen	Schoenfeld	Wynia
Clark, J.	Knuth	Onnen	Seaberg	Zaffke
Clark, K.	Kostohryz	Osthoff	Segal	Speaker Sieben
Clawson	Krueger	Otis	Shaver	
Cohen	Larsen	Pauly	Shea	
Coleman	Long	Peterson	Simoneau	

Those who voted in the negative were:

Burger	Fjoslien	Jennings	Schreiber	Valan
Dempsey	Frerichs	Kvam	Sherman	Valento
DenOuden	Haukoos	Levi	Stadum	Welker
Dimler	Heap	Ludeman	Sviggum	Wigley
Erickson	Heinitz	McDonald	Thiede	
Findlay	Hoberg	Omann	Uphus	

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

Carlson, D., was excused for the remainder of today's session.

CONSIDERATION UNDER RULE 1.10

Pursuant to rule 1.10, Rice requested immediate consideration of S. F. No. 47.

SUSPENSION OF RULES

Pursuant to Article IV, Section 19, of the Constitution of the state of Minnesota, Rice moved that the rule therein be suspended and an urgency be declared so that S. F. No. 47 be given its third reading and be placed upon its final passage. The motion prevailed.

Rice moved that the rules of the House be so far suspended that S. F. No. 47 be given its third reading and be placed upon its final passage. The motion prevailed.

S. F. No. 47, as amended by the Committee on Appropriations, was reported to the House.

The Speaker called Wynia to the Chair.

DenOuden moved to amend S. F. No. 47, as amended by the Committee on Appropriations, as follows:

Page 2, line 20, after the period insert a new paragraph to read:

"The commissioner shall not expend funds for fee title acquisition on private lands."

A roll call was requested and properly seconded.

The question was taken on the amendment and the roll was called.

Eken moved that those not voting be excused from voting. The motion prevailed.

There were 46 yeas and 68 nays as follows:

Those who voted in the affirmative were:

Bishop	Findlay	Kalis	Piepho	Valan
Blatz	Fjoslien	Kvam	Quist	Valento
Brinkman	Frerichs	Levi	Redalen	Waltman
Burger	Gruenes	Ludeman	Seaberg	Welker
Clawson	Haukoos	McDonald	Sherman	Wigley
Dempsey	Heap	McKasy	Stadum	Zafike
DenOuden	Heinitz	Olsen	Sviggum	
Dimler	Hoberg	Omann	Swanson	
Erickson	Hokr	Onnen	Thiede	
Evans	Jennings	Pauly	Uphus	

Those who voted in the negative were:

Anderson, B.	Eken	McEachern	Piper	Skoglund
Anderson, G.	Elioff	Metzen	Price	Solberg
Battaglia	Ellingson	Minne	Riveness	Sparby
Beard	Greenfield	Munger	Rodriguez, C.	Tomlinson
Begich	Gustafson	Murphy	Rodriguez, F.	Tunheim
Bennett	Hoffman	Nelson, D.	Rose	Vanasek
Bergstrom	Jacobs	Nelson, K.	St. Onge	Voss
Berkelman	Knuth	Neuenschwander	Sarna	Welch
Brandl	Kostohryz	Norton	Scheid	Welle
Carlson, L.	Krueger	O'Connor	Schoenfeld	Wenzel
Clark, J.	Larsen	Ogren	Segal	Wynia
Clark, K.	Long	Osthoff	Shaver	Speaker Sieben
Cohen	Mann	Otis	Shea	
Coleman	Marshi	Peterson	Simoneau	

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

Marsh moved to amend S. F. No. 47, as amended by the Committee on Appropriations, as follows:

Page 1, line 20, after "65 years", insert: "or over the age of 60 if retired or under the age of 22 if enrolled full-time as a student in a post secondary educational institution"

A roll call was requested and properly seconded.

The question was taken on the amendment and the roll was called.

Eken moved that those not voting be excused from voting. The motion prevailed.

There were 29 yeas and 88 nays as follows:

Those who voted in the affirmative were:

Bishop	Fjoslien	Hokr	Omann	Sviggum
Coleman	Gruenes	Jennings	Pauly	Valan
Dempsey	Haukoos	Kvam	Piepho	Waltman
Erickson	Heap	Levi	Redalen	Wenzel
Evans	Heinitz	Marsh	Sherman	Wigley
Findlay	Hoberg	McKasy	Stadium	

Those who voted in the negative were:

Anderson, B.	Dimler	McEachern	Quinn	Sparby
Anderson, C.	Eken	Metzen	Quist	Staten
Anderson, R.	Elioff	Minne	Rice	Swanson
Battaglia	Ellingson	Munger	Riveness	Thiede
Beard	Forsythe	Murphy	Rodriguez, C.	Tomlinson
Begich	Frerichs	Nelson, D.	Rodriguez, F.	Tunheim
Bennett	Greenfield	Nelson, K.	Rose	Uphus
Bergstrom	Gustafson	Neuenschwander	St. Onge	Valento
Berkelman	Hoffman	Norton	Sarna	Vanasek
Blatz	Jacobs	O'Connor	Scheid	Vellenga
Brandl	Kalis	Ogren	Schoenfeld	Voss
Brinkman	Knickerbocker	Olsen	Schreiber	Welch
Burger	Knuth	Onnen	Seaberg	Welker
Carlson, L.	Kostohryz	Osthoff	Segal	Welle
Clark, J.	Krueger	Otis	Shaver	Wynia
Clark, K.	Larsen	Peterson	Simoneau	Speaker Sieben
Clawson	Long	Piper	Skoglund	
Cohen	Mann	Price	Solberg	

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

Tomlinson was excused for the remainder of today's session.

Marsh moved to amend S. F. No. 47, as amended by the Committee on Appropriations, as follows:

Page 2, line 15, after "*public*" delete "*and private*"

Page 2, line 15, delete "*and the reimbursement of landowners*"

Page 2, line 16, delete "*for setting aside lands*"

Page 2, line 17, after "*public*" delete "*and private*"

A roll call was requested and properly seconded.

The question was taken on the amendment and the roll was called.

Eken moved that those not voting be excused from voting. The motion prevailed.

There were 23 yeas and 87 nays as follows:

Those who voted in the affirmative were:

Bishop	Hoberg	Marsh	Price	Valan
Burger	Hokr	O'Connor	Quinn	Waltman
Evans	Knickerbocker	Olsen	Seaberg	Welker
Frerichs	Kvam	Onnen	Stadum	
Heinitz	Ludeman	Pauly	Sviggunn	

Those who voted in the negative were:

Anderson, B.	Eken	Mann	Quist	Sparby
Anderson, G.	Elioff	McEachern	Redalen	Swanson
Anderson, R.	Ellingson	McKasy	Rice	Thiede
Battaglia	Findlay	Metzen	Riveness	Tunheim
Beard	Fjoslien	Minne	Rodriguez, C.	Uphus
Begich	Forsythe	Munger	Rodriguez, F.	Vanasek
Bennett	Greenfield	Murphy	Rose	Vellenga
Bergstrom	Gustafson	Nelson, D.	St. Onge	Yoss
Berkelman	Haukoos	Nelson, K.	Sarna	Welch
Brandl	Hoffman	Neuenschwander	Scheid	Welle
Brinkman	Jacobs	Norton	Schoenfeld	Wenzel
Carlson, L.	Kalis	Ogren	Segal	Wigley
Clark, J.	Knuth	Omamm	Shaver	Wynia
Clark, K.	Kostohryz	Osthoff	Shea	Zaffke
Clawson	Krueger	Otis	Sherman	Speaker Sieben
Cohen	Larsen	Peterson	Simoneau	
Dempsey	Levi	Piepho	Skoglund	
DenOuden	Long	Piper	Solberg	

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

Welker moved to amend S. F. No. 47, as amended by the Committee on Appropriations, as follows:

Page 4, line 2, delete "*the day following final enactment*" and insert "*January 1, 1984*"

A roll call was requested and properly seconded.

The question was taken on the amendment and the roll was called.

Eken moved that those not voting be excused from voting. The motion prevailed.

There were 34 yeas and 80 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Findlay	Levi	Pauly	Thiede
Bishop	Fjoslien	Ludeman	Piepho	Uphus
Burger	Forsythe	Marsh	Quist	Waltman
DenOuden	Frerichs	McDonald	Redalen	Welker
Dimler	Haukoos	McKasy	Schoenfeld	Wigley
Erickson	Jennings	Omann	Seaberg	Zaffke
Evans	Kvam	Onnen	Svigum	

Those who voted in the negative were:

Anderson, R.	Eken	Larsen	Otis	Skoglund
Battaglia	Elioff	Long	Peterson	Sparby
Beard	Ellingson	Mann	Price	Stadum
Begich	Greenfield	McEachern	Quinn	Staten
Bennett	Gruenes	Metzen	Rice	Swanson
Bergstrom	Gustafson	Minne	Riveness	Tunheim
Berkelman	Heap	Munger	Rodriguez, C.	Valan
Brandl	Heinitz	Murphy	Rodriguez, F.	Valento
Brinkman	Himle	Nelson, D.	Rose	Vanasek
Carlson, L.	Hoffman	Nelson, K.	St. Onge	Vellenga
Clark, J.	Jacobs	Neuenschwander	Sarna	Voss
Clark, K.	Kalis	Norton	Scheid	Welch
Clawson	Knickerbocker	O'Connor	Shaver	Welle
Cohen	Knuth	Ogren	Shea	Wenzel
Coleman	Kostohryz	Olsen	Sherman	Wynia
Dempsey	Krueger	Osthoff	Simoneau	Speaker Sieben

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

Stadum and Valan moved to amend S. F. No. 47, as amended by the Committee on Appropriations, as follows:

Page 1, delete lines 16 to 18

Page 2, delete lines 13 to 17

Page 2, after line 12, insert:

“(a) Acquisition of pheasants and their release on public and private land by conservation, wildlife, or sportsman organizations.”

Page 2, line 18, delete *“and personnel”*

Page 2, line 19, delete *“an amount not to”* and insert *“the release of pheasants by conservation, wildlife, and sportsman organizations shall not”*

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

S. F. No. 47, A bill for an act relating to game and fish; requiring a pheasant stamp; establishing a fee and providing for

the use of revenue; allowing multiple sale of stamps with a single issuing fee; amending Minnesota Statutes 1982, section 98.50, subdivision 5; proposing new law coded in Minnesota Statutes, chapter 97.

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.

Eken moved that those not voting be excused from voting. The motion prevailed.

There were 94 yeas and 27 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Ellingson	Levi	Piepho	Skoglund
Battaglia	Fjoslien	Long	Piper	Solberg
Beard	Forsythe	Mann	Price	Sparby
Begich	Greenfield	McEachern	Quinn	Stadum
Bennett	Gruenes	McKasy	Quist	Staten
Bergstrom	Gustafson	Metzen	Redalen	Sviggum
Berkelman	Heap	Minne	Rice	Tunheim
Blatz	Heinitz	Munger	Riveness	Uphus
Brandl	Himle	Murphy	Rodriguez, C.	Valento
Burger	Hoberg	Nelson, D.	Rodriguez, F.	Vanasek
Carlson, L.	Hoffman	Nelson, K.	Rose	Vellenga
Clark, J.	Hokr	Neuenschwander	Sarna	Voss
Clark, K.	Jacobs	Norton	Scheid	Waltman
Clawson	Kalis	Ogren	Schoenfeld	Welch
Cohen	Knickerbocker	Olsen	Segal	Welle
Coleman	Knuth	Osthoff	Shaver	Wynia
Dempsey	Kostohryz	Otis	Shea	Zaffke
Eken	Krueger	Pauly	Sherman	Speaker Sieben
Elioff	Larsen	Peterson	Simoneau	

Those who voted in the negative were:

Anderson, B.	Evans	Ludeman	St. Onge	Welker
Anderson, G.	Findlay	Marsh	Schreiber	Wenzel
Bishop	Frerichs	McDonald	Seaberg	Wigley
Brinkman	Haukoos	O'Connor	Swanson	
DenOuden	Jennings	Omann	Thiede	
Erickson	Kvam	Onnen	Valan	

The bill was passed and its title agreed to.

The Speaker resumed the chair.

CONSENT CALENDAR

Eken moved that the bills on the Consent Calendar for today be continued one day. The motion prevailed.

CALENDAR

Eken moved that the bill on the Calendar for today be continued one day. The motion prevailed.

GENERAL ORDERS

Eken moved that the bills on General Orders for today be continued one day. The motion prevailed.

MOTIONS AND RESOLUTIONS

Osthoff moved that S. F. No. 338 be recalled from the committee on Financial Institutions and Insurance and together with H. F. No. 556, now on Technical General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

Jensen moved that S. F. No. 358 be recalled from the committee on Local and Urban Affairs and together with H. F. No. 689, now on the Technical Consent Calendar, be referred to the Chief Clerk for comparison. The motion prevailed.

Wynia moved that S. F. No. 263 be recalled from the committee on Financial Institutions and Insurance and together with H. F. No. 356, now on Technical General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

Norton moved that H. F. No. 737, now on General Orders, be re-referred to the Committee on Appropriations. The motion prevailed.

Bergstrom moved that the name of Eken be added as an author on H. F. No. 102. The motion prevailed.

Wigley moved that his name be stricken as an author on H. F. No. 580. The motion prevailed.

Greenfield moved that the name of Clawson be shown as chief author and the name of Greenfield be shown as second author on H. F. No. 964. The motion prevailed.

Ogren moved that the name of O'Connor be added as an author on H. F. No. 1224. The motion prevailed.

Olsen moved that the names of Knickerbocker and Segal be added as authors on H. F. No. 1225. The motion prevailed.

Cohen moved that the name of Clark, K., be added as an author on H. F. No. 1229. The motion prevailed.

Gruenes moved that the names of Quinn and Brandl be added as authors on House Resolution No. 9. 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. 164:

Norton, Heinitz and Neuenschwander.

ADJOURNMENT

Eken moved that when the House adjourns today it adjourn until 2:00 p.m., Thursday, April 21, 1983. The motion prevailed.

Eken moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 2:00 p.m., Thursday, April 21, 1983.

EDWARD A. BURDICK, Chief Clerk, House of Representatives

STATE OF MINNESOTA

SEVENTY-THIRD SESSION - 1983

THIRTY-SEVENTH DAY

SAINT PAUL, MINNESOTA, WEDNESDAY, APRIL 20, 1983

The Senate met on Wednesday, April 20, 1983, which was the Thirty-seventh Legislative Day of the Seventy-third Session of the Minnesota State Legislature. The House of Representatives did not meet on this date.

STATE OF MINNESOTA

SEVENTY-THIRD SESSION - 1983

THIRTY-EIGHTH DAY

SAINT PAUL, MINNESOTA, THURSDAY, APRIL 21, 1983

The House of Representatives convened at 2:00 p.m. and was called to order by Harry A. Sieben, Jr., Speaker of the House.

Prayer was offered by Rabbi Gary Menchel, Principal of the new Maimonides High School of Minnesota, St. Louis Park, Minnesota.

The roll was called and the following members were present:

Anderson, B.	Erickson	Knuth	Otis	Sherman
Anderson, G.	Evans	Kostohryz	Pauly	Simoneau
Anderson, R.	Findlay	Krueger	Peterson	Skoglund
Battaglia	Fjoslien	Kvam	Piepho	Solberg
Beard	Forsythe	Larsen	Piper	Sparby
Begich	Frerichs	Levi	Price	Stadum
Bennett	Graba	Long	Quinn	Staten
Bergstrom	Greenfield	Ludeman	Quist	Sviggum
Bishop	Gruenes	Mann	Redalen	Swanson
Blatz	Gustafson	Marsh	Reif	Thiede
Brandl	Gutknecht	McDonald	Rice	Tomlinson
Brinkman	Halberg	McEachern	Riveness	Tunheim
Burger	Haukoos	McKasy	Rodosovich	Uphus
Carlson, D.	Heap	Metzen	Rodriguez, C.	Valan
Carlson, L.	Heinitz	Munger	Rodriguez, F.	Valento
Clark, J.	Himle	Murphy	Rose	Vanasek
Clark, K.	Hoffman	Nelson, D.	St. Onge	Vellenga
Clawson	Hokr	Nelson, K.	Sarna	Waltman
Cohen	Jacobs	Neuenschwander	Schafer	Welch
Coleman	Jennings	Norton	Scheid	Welker
Dempsey	Jensen	O'Connor	Schoenfeld	Welle
DenOudea	Johnson	Ogren	Schreiber	Wenzel
Dimler	Kahn	Olsen	Seaberg	Wigley
Eken	Kalis	Omann	Segal	Wynia
Elioff	Kelly	Onnen	Shaver	Zaffke
Ellingson	Knickerbocker	Osthoff	Shea	Speaker Sieben

A quorum was present.

Hoberg, Minne and Voss were excused.

Berkelman was excused until 4:00 p.m.

The Chief Clerk proceeded to read the Journals of the preceding days. Erickson moved that further reading of the Journals be dispensed with and that the Journals 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. 455, 655, 658, 722, 779, 837, 854, 1006, 1113, 356, 556, 689 and 76 and S. F. Nos. 891, 160, 292, 900, 1114, 808, 857, 1015, 53, 159, 275, 466, 541, 831 and 843 have been placed in the members' files.

S. F. No. 358 and H. F. No. 689, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Jensen moved that the rules be so far suspended that S. F. No. 358 be substituted for H. F. No. 689 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 338 and H. F. No. 556, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Osthoff moved that S. F. No. 338 be substituted for H. F. No. 556 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 598 and H. F. No. 161, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Kelly moved that the rules be so far suspended that S. F. No. 598 be substituted for H. F. No. 161 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 900 and H. F. No. 891, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Rodriguez, F., moved that the rules be so far suspended that S. F. No. 900 be substituted for H. F. No. 891 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 843 and H. F. No. 892, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Knuth moved that the rules be so far suspended that S. F. No. 843 be substituted for H. F. No. 892 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 160 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

Clawson moved that the rules be so far suspended that S. F. No. 160 be substituted for H. F. No. 622 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 891 and H. F. No. 837, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Segal moved that the rules be so far suspended that S. F. No. 891 be substituted for H. F. No. 837 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 699 and H. F. No. 1113, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Neuenschwander moved that the rules be so far suspended that S. F. No. 699 be substituted for H. F. No. 1113 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 263 and H. F. No. 356, 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. 263 be substituted for H. F. No. 356 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

April 13, 1983

The Honorable Harry A. Sieben, Jr.
Speaker of the House
276 State Office Building
St. Paul, Minnesota 55155

Dear Speaker Sieben:

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

H. F. No. 79, relating to juveniles; requiring orders of reference for prosecution for juveniles who have been previously referred; amending Minnesota Statutes 1982, sections 260.125, subdivision 2, and by adding a subdivision.

H. F. No. 121, relating to state historic sites; designating the old administration building at the Minnesota Veterans Home and the Longfellow House in Minneapolis as state historic sites; amending Minnesota Statutes 1982, section 138.53, by adding a subdivision; and section 138.56, by adding a subdivision.

H. F. No. 182, relating to the metropolitan transit commission; providing for special fares for jobseekers; amending Minnesota Statutes 1982, section 473.408, subdivision 5, and by adding a subdivision.

H. F. No. 236, relating to occupations and professions; regulating physicians attending the graduate school of the Mayo Foundation; amending Minnesota Statutes 1982, section 147.20.

H. F. No. 252, relating to occupations and professions; regulating the practice of dentistry; amending Minnesota Statutes 1982, sections 150A.05, subdivision 2; and 150A.11, subdivision 1.

H. F. No. 298, relating to the city of St. Paul; regulating appeals, hearings, and procedures concerning the human rights commission; amending Laws 1965, chapter 866, section 1.

Sincerely,

RUDY PERPICH
Governor

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

April 15, 1983

The Honorable Harry A. Sieben, Jr.
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 1983 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>Date Approved 1983</i>	<i>Date Filed 1983</i>
	79	25	April 13	April 13
	121	26	April 13	April 13
	182	27	April 13	April 13
	236	28	April 13	April 13
	252	29	April 13	April 13
	298	30	April 13	April 13
107		31	April 13	April 13
128		32	April 13	April 13
207		33	April 13	April 13
269		34	April 13	April 13
325		35	April 13	April 13
327		36	April 13	April 13

Sincerely,

JOAN ANDERSON GROWE
Secretary of State

REPORTS OF STANDING COMMITTEES

Rice from the Committee on Appropriations to which was referred:

H. F. No. 92, A bill for an act relating to education; providing for aids to education, aids to libraries, tax levies, and the distribution of tax revenues; granting certain duties and powers to school boards, school districts, the state board of education, and the state board for vocational education; providing for revenue equity; modifying the computation of the transportation aid, summer school, and community education aids and levies; establishing an average-cost funding formula for AVTIs; authorizing intermediate school districts to offer nonpost-secondary academic courses; establishing programs for improvement of schools; providing incentives for school districts to utilize technology in instruction; appropriating money; amending Minnesota Statutes 1982, sections 6.54; 6.62, subdivision 1; 120.075, subdivision 4, and by adding a subdivision; 120.10, subdivision 2; 120.17, subdivision 3; 120.64, subdivisions 2 and 4; 121.908; 121.911, by adding a subdivision; 121.912, subdivision 3; 122.23, subdivisions 2 and 3; 122.41; 122.43; 122.44; 122.531, subdivision 2, and by adding subdivisions; 123.33, subdivisions 10 and 14; 123.34, subdivision 9; 123.351, subdivision 4; 123.36, subdivisions 9, 13, and by adding a subdivision; 123.37, subdivision 1b; 123.39, subdivision 4; 123.705; 124.11, subdivisions 2a and 2b; 124.14, subdivision 1; 124.15, subdivision 5; 124.17, subdivisions 1 and 2d; 124.19, subdivisions 1 and 3; 124.201, subdivisions 2, 3, and by adding subdivisions; 124.2122, subdivisions 1 and 2; 124.2126, subdivision 3; 124.2128, subdivision 1; 124.2132, subdivision 4; 124.225; 124.245, by adding a subdivision; 124.246, subdivision 2; 124.247, subdivision 3; 124.26, subdivision 1; 124.271, subdivisions 2a, 6, and by adding a subdivision; 124.273, subdivisions 1b, 2b, and 4; 124.32, subdivisions 1b, 1d, 2, 3a, 5, and 5a; 124.572, subdivision 2; 124.573, subdivision 2; 124.574, subdivisions 2b and 3; 124.646, subdivision 1; 125.60, subdivision 7; 125.611, subdivision 8; 129B.02; 129B.04; 129B.05; 129B.09, subdivision 12; 134.07; 134.08; 134.09; 134.10; 134.11; 134.12; 134.13; 134.14; 134.15; 134.30; 134.32, subdivisions 1 and 7; 134.351, subdivisions 3 and 7; 134.353; 134.36; 275.125, subdivisions 2d, 2e, 2i, 5, 5b, 6d, 8, 11a, 11b, and by adding subdivisions; 354.66, subdivision 9; 354A.094, subdivision 9; 375.335; 466.01, subdivision 1; 475.61, subdivision 3; and 648.39, subdivision 1; amending Laws 1967, chapter 822, section 4; Laws 1969, chapter 775, section 3, by adding a subdivision; Laws 1969, chapter 775, section 3, subdivision 2, as amended; Laws 1969, chapter 1060, section 4; Laws 1981, chapter 358, article 7, section 29, as amended; and Laws 1982, chapter 548, article 3, sections 27 and 28; proposing new law coded in Minnesota Statutes, chapters 3, 120, 121, 122, 123, 124, 126, 129B, and 134; repealing Minnesota Statutes 1982, sections 121.501 to 121.507; 122.542; 124.11, subdivision 1; 124.24; 124.251; 124.273, subdivisions 1 and 2; 124.26, subdivision 4; 124.271, subdivision 5; 124.32, subdivisions 1 and 9; 124.561; 124.562; 124.5621; 124.5622; 124.-

5623; 124.5624; 124.5625; 124.5626; 124.5627; 124.572, subdivision 8; 124.573, subdivision 5; 124.574, subdivision 2; 124.611; 125.611, subdivision 9; 129B.06 to 129B.09; 134.03; 134.06; 134.-16; 134.19; 134.352; and 375.33.

Reported the same back with the following amendments:

Page 47, line 1, before "The" insert "*Notwithstanding any laws or rules to the contrary,*"

Page 90, lines 14 and 16, delete the hyphen in "*nonpost-secondary*" to form one word

Page 90, delete lines 19 to 29

Pages 90 and 91, delete section 24

Renumber succeeding sections of the article

Page 91, lines 17, 19, 29, and 31, delete the hyphens in "*nonpost-secondary*" and "*nonpost-secondary*" to form one word

Page 91, delete lines 34 to 36

Page 92, delete lines 1 to 8

Page 92, delete lines 23 to 26

Page 93, line 15, after "for" insert "*both sexes and*"

Page 99, line 4, after "of" insert "*both sexes and*"

Page 127, after line 1, insert:

"Sec. 6.

The council on quality education, with the assistance of the state board, shall review various formulas for statewide funding of early childhood and family education programs. The formulas reviewed shall include a formula using a per capita aid amount distributed to school districts through the community education program and designated for early childhood and family education programs. The council shall report to the legislature by February 15, 1984, regarding its review of formulas."

Renumber succeeding sections of the article

Page 147, after line 7, insert:

"Article 12

EMPLOYER RETIREMENT CONTRIBUTIONS

Section 1. [APPROPRIATIONS.]

Subdivision 1. The sums indicated in this section are appropriated from the general fund to the agencies and for the purposes indicated, to be available for the fiscal years ending June 30 in the years indicated. If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

Subd. 2. [TEACHERS RETIREMENT ASSOCIATION: TEACHERS STATEWIDE.] *To meet the state's obligation prescribed in Minnesota Statutes 1982, section 354.43, there is appropriated:*

\$87,508,200 1984,

\$92,137,200 1985.

Subd. 3. [TEACHERS RETIREMENT ASSOCIATION: SUPPLEMENTAL BENEFITS—1915.] *To meet the state's obligation prescribed in Minnesota Statutes 1982, section 354.55, subdivision 5, there is appropriated:*

\$1,500 1984,

\$1,500 1985.

Subd. 4. [TEACHERS RETIREMENT ASSOCIATIONS IN CITIES OF THE FIRST CLASS.] *To the commissioner of finance for payment to teachers retirement associations in Minneapolis, St. Paul, and Duluth, to meet the state's obligation prescribed in Minnesota Statutes 1982, section 354A.12, subdivision 2, there is appropriated:*

\$18,138,400 1984,

\$19,023,500 1985.

Subd. 5. [EMPLOYER SOCIAL SECURITY CONTRIBUTIONS; TEACHERS.] *To the commissioner of employee relations for payment to the federal government to meet the state's obligation prescribed in Minnesota Statutes 1982, section 355.46, there is appropriated:*

\$82,945,000 1984,

\$90,626,000 1985.

Subd. 6. [SOCIAL SECURITY COSTS OF ADMINISTRATION.] To the commissioner of employee relations to meet the state's obligation prescribed in Minnesota Statutes 1982, sections 355.46 and 355.49, there is appropriated:

\$51,000 1984,

\$51,000 1985."

Amend the title as follows:

Page 1, line 3, after "libraries," insert "aids for teacher retirement contributions,"

Page 2, line 5, delete everything after the semicolon

Page 2, line 6, delete "adding a subdivision;"

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 242, A bill for an act relating to labor; providing for occupational safety and health; defining "toxic substance"; requiring manufacturers of toxic substances to provide certain information; creating a right to refuse to work under conditions violating the state occupational safety and health act; creating a right to refuse to work with a toxic substance under certain conditions; requiring employers using toxic substances to provide employees with certain training and information; creating a presumption that toxic substances must be labeled under certain circumstances; prohibiting waiver of any employee rights under the state occupational safety and health act; clarifying relation of bargaining agreements to safety laws; providing penalties; providing protection for trade secrets; amending Minnesota Statutes 1982, sections 182.651, by adding a subdivision; 182.653, by adding a subdivision; 182.654, subdivision 7, and by adding a subdivision; 182.655, subdivisions 4, 10, 11, and by adding subdivisions; 182.658; 182.663, subdivision 3; 182.666, by adding a subdivision; and 182.668; proposing new law coded in Minnesota Statutes, chapter 182.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [SHORT TITLE.]

This act shall be known as the "Employee Right to Know Act of 1983."

Sec. 2. Minnesota Statutes 1982, section 182.651, is amended by adding a subdivision to read:

Subd. 14. "Hazardous substance" means a chemical or substance, or mixture of chemicals and substances, which:

(a) is regulated by the federal Occupational Safety and Health Administration under title 29 of the Code of Federal Regulations part 1910, subpart z; or

(b) is either toxic or highly toxic; an irritant; corrosive; a strong oxidizer; a strong sensitizer; combustible; either flammable or extremely flammable; dangerously reactive; pyrophoric or pressure-generating; compressed gas; carcinogen; teratogen; mutagen; reproductive toxic agent; or that otherwise, according to documented medical or scientific evidence, may cause substantial acute or chronic personal injury or illness during or as a direct result of any customary or reasonably foreseeable, accidental, or intentional exposure to the chemical or substance.

For the purposes of determining what is a hazardous substance, where one of the terms used in this subdivision is defined by the American National Standards Institute document Z129.1-1982 on the precautionary labeling of hazardous industrial chemicals, that definition shall apply.

Sec. 3. Minnesota Statutes 1982, section 182.651, is amended by adding a subdivision to read:

Subd. 15. "Harmful biological agent" means any bacteria, virus, fungus, or other animate agent, which, according to documented medical or scientific evidence, may cause substantial acute or chronic permanent disability or long-term illness as a direct result of any customary or reasonably foreseeable, accidental, or intentional exposure to the biological agent.

Sec. 4. Minnesota Statutes 1982, section 182.651, is amended by adding a subdivision to read:

Subd. 16. "Harmful physical agent" means noise, heat, cold, vibration, repetitive motion, radiation, ionizing and nonionizing radiation, hypobaric or hyperbaric pressure, or any other physical stress, which, according to documented medical or scientific evidence, may cause substantial acute or chronic personal injury or illness during or as a direct result of any customary or reasonably foreseeable, accidental, or intentional exposure to the physical agent, which is in excess of any exposure safety standard concerning the physical agent adopted by the commissioner under this chapter.

Sec. 5. Minnesota Statutes 1982, section 182.651, is amended by adding a subdivision to read:

Subd. 17. Notwithstanding any other language to the contrary, the definitions of hazardous substance, harmful biological agent, and harmful physical agent shall not include:

(a) any chemical, substance, or agent which is not introduced into the workplace by the employer to be used, studied, or produced, and is not the byproduct of some method of production; among other cases, this exception excludes from the definition of harmful biological agent, an agent in the body of a person who is present in a hospital or clinic for diagnosis or treatment;

(b) consumer products packaged for distribution to, and used by, the general public when the product is used by an employer or the employer's employees in the same form, concentration, and manner as it is sold to consumers, and employee exposure to the product is not significantly greater than exposure commonly experienced by private consumers of the product;

(c) any chemical, substance, or agent received by an employer in a sealed package which prevents exposure of the employee to the work environment hazard, when that chemical, substance, or agent is subsequently sold or transferred in the sealed package and the seal remains intact while the chemical, substance, or agent is in the employer's workplace;

(d) any article, including but not limited to, an item of equipment or hardware, which contains a hazardous substance, if the substance is present in a solid form which does not create any extant or potential health hazard as a result of being handled by the employee; or

(e) any waste material regulated pursuant to the federal Resource Conservation and Recovery Act, P.L. 94-580, but only with respect to any employer in a business which provides a service of collection, processing, or disposal of such waste.

Sec. 6. Minnesota Statutes 1982, section 182.651, is amended by adding a subdivision to read:

Subd. 18. "Work environment hazard" means a hazardous substance, harmful biological agent, or harmful physical agent.

Sec. 7. Minnesota Statutes 1982, section 182.651, is amended by adding a subdivision to read:

Subd. 19. "Manufacturer" means anyone who produces, synthesizes, extracts, or otherwise makes, processes, blends, packages or repackages a hazardous substance, harmful biological agent, or a substance or mechanism which emits a harmful phys-

ical agent. The term manufacturer shall also include anyone who imports into this state or distributes within this state any hazardous substance, harmful biological agent, or a substance or mechanism which emits a harmful physical agent. Manufacturer does not include anyone whose primary business concerning the hazardous substance, harmful biological agent, or substance or mechanism which emits a harmful physical agent is in retail sales to the public. A hospital or clinic engaged in the diagnosis or treatment of a harmful biological agent is not a manufacturer of that agent.

Sec. 8. Minnesota Statutes 1982, section 182.653, is amended by adding a subdivision to read:

Subd. 4a. Every employer who is a manufacturer of a hazardous substance, harmful biological agent, or a substance or mechanism which emits a harmful physical agent, shall provide each employer who purchases the substance, agent, or mechanism with the information necessary for the purchasing employer to comply with section 9. Such provision shall be made at the time of purchase and shall be current, accurate, and complete. If the purchase is of a substance, agent, or mechanism, or mixture thereof, which involves a number of work environment hazards, complete information will be provided by the manufacturer concerning each work environment hazard. For the purposes of this subdivision the term "purchase" shall include any transference including free trial samples.

When the work environment hazard is a mixture of hazardous substances, the manufacturer may provide the information required by this section on the entire product mixture, instead of on each hazardous substance in it, if all of the following conditions are met: hazard test information exists on the mixture itself or adequate information exists to form a valid judgment of the hazardous properties of the mixture itself and the manufacturer indicates that the conclusions drawn are from some source other than direct testing on the mixture; provision of information on the mixture will be as effective in protecting employee health as information on the ingredients; and the hazardous substances in the mixture are identified along with the information on the mixture.

Sec. 9. Minnesota Statutes 1982, section 182.653, is amended by adding a subdivision to read:

Subd. 4b. Prior to any employee's initial assignment to a workplace where the employee will be routinely exposed to a work environment hazard, his employer shall provide him with training concerning the work environment hazard. In addition, training shall be provided whenever an employee may be routinely exposed to any additional work environment hazard to which they were not previously exposed. For each work environ-

ment hazard to which the employee may be routinely exposed, the employee's training program shall include:

(a) the name or names of the work environment hazard including any generic name, chemical name, trade name, and commonly used name;

(b) the level, if any, at which exposure to the work environment hazard has been determined to be hazardous according to standards adopted by the commissioner, or, if no standard has been adopted, according to guidelines established by competent professional groups including but not limited to the American Industrial Hygiene Association, the American Conference of Governmental Industrial Hygienists, the Center for Disease Control, the National Council on Radiation Protection and Measurements, and the American National Standards Institute;

(c) the acute and chronic effects of exposure at hazardous levels;

(d) the symptoms of the effects;

(e) any potential for flammability, explosion, or reactivity of the work environment hazard;

(f) appropriate emergency treatment;

(g) proper conditions for safe use of and exposure to the work environment hazard;

(h) procedures for cleanup of leaks and spills;

(i) the name, phone number, and address of the manufacturer of the hazardous substance, harmful biological agent, or substance or mechanism which emits the harmful physical agent; and

(j) a written copy of all of the above information.

It is intended that the training provisions of this subdivision apply only to new employee assignments and exposures after the effective date of this act. Employers are not required to train employees concerning work environment hazards, to which the employee was routinely exposed in the employer's workplace prior to the effective date of this act.

Every employer shall maintain current information for training under this subdivision or for information requests by employees under section 13.

Sec. 10. Minnesota Statutes 1982, section 182.653, is amended by adding a subdivision to read:

Subd. 4c. Each employer who operates a hospital or clinic shall provide regular inservice training to its employees who are routinely exposed to contagious animate agents including viruses, bacteria, and fungus. This training shall be current, appropriate to the level of education of the employee, and relevant to the employee's typical exposure to the animate agents in fulfilling their duties for the employer. The training shall include the names of common animate agents to which the employee may be exposed, proper techniques for the employee to avoid contamination of himself or others with the animate agent, and symptoms of contamination. Training shall be provided upon the initial assignment of the employee to a job where that person will be routinely exposed to contagious animate agents and shall be repeated after that at intervals no greater than two years.

Sec. 11. Minnesota Statutes 1982, section 182.653, is amended by adding a subdivision to read:

Subd. 4d. Each employer who is in the business of providing a service of collection, processing, or disposal of waste regulated pursuant to the federal Resource Conservation and Recovery Act, P.L. 94-580, shall provide employees who are routinely exposed to this waste a general safety training program approved by the commissioner. This training program shall be appropriate for the seriousness of the safety hazards commonly encountered by the employees and shall include: training concerning the general safety hazards involved in the collection, processing, or disposal of the waste; proper safety procedures to avoid the deleterious effects of these hazards; and common symptoms of the deleterious effects. Training shall be provided to employees within 60 days of the commissioner's approval of the training program, or, if the employee is employed after this 60-day period, prior to the employees initial assignment where they will be routinely exposed to waste. The employer's safety training program shall be submitted to the commissioner for approval within two months of the effective date of this act.

Sec. 12. Minnesota Statutes 1982, section 182.654, subdivision 7, is amended to read:

Subd. 7. Any employee who has been exposed or is being exposed to (TOXIC MATERIALS OR HARMFUL PHYSICAL AGENTS) work environment hazards in concentrations or at levels in excess of that provided for by any applicable standard shall be provided by his employer with the opportunities provided in section 182.655, subdivision (10) 10a.

Sec. 13. Minnesota Statutes 1982, section 182.654, is amended by adding a subdivision to read:

Subd. 10. Every employee and any association or union representing that employee shall have the right, upon request,

to receive from their employer, within a reasonable period of time, any information the employer would be required to provide the employee if the employer were training the employee under section 9 concerning any work environment hazards to which the employee is routinely exposed.

Sec. 14. Minnesota Statutes 1982, section 182.654, is amended by adding a subdivision to read:

Subd. 11. An employee shall have the right, without loss of pay or other benefits of employment, to refuse to work under conditions which the employee reasonably believes constitute a violation of sections 182.65 to 182.674 and subject the employee to imminent hazard involving exposure to a work environment hazard. Once an employee has refused to work under this subdivision his employer must immediately correct the alleged violation, reassign the employee to other work under conditions that do not violate sections 182.65 to 182.674, or give the employee time off until the dispute is settled and any violation corrected or the employer exercises one of his other options described above. The employee's right under this section shall include, but not be limited to, the right of any employee, without loss of pay or other benefits of employment, to refuse to work if the employee reasonably believes (1) the employer has failed to provide training required pursuant to section 11, (2) the employer has failed to provide the information required pursuant to section 13 within a reasonable time not in excess of 24 hours of the employee's request for same, or (3) the employee is asked to work with a work environment hazard under conditions which are inconsistent with training or information provided by the employer pursuant to section 11 or 13. This subdivision is intended only to enlarge employees' right to refuse to work under conditions which violate sections 182.65 to 182.674 and involve exposure to work environment hazards and does not in any way limit any other employee right to refuse to work under state or federal law.

Sec. 15. Minnesota Statutes 1982, section 182.655, is amended by adding a subdivision to read:

Subd. 3a. The commissioner shall, with all due haste, adopt exposure safety standards for each harmful physical agent specifically listed in section 4 for which the commissioner has not yet adopted such a standard.

Sec. 16. Minnesota Statutes 1982, section 182.655, is amended by adding a subdivision to read:

Subd. 3b. The commissioner shall promulgate standards to construct a list of chemicals, substances, and agents that satisfy the definitions of a hazardous substance, harmful biological agent, or harmful physical agent in section 182.651. The commissioner shall also promulgate standards to construct a list of

chemicals, substances, and agents that the commissioner has considered and determined do not satisfy these definitions. The commissioner shall not have exclusive power to make such determinations and the question of whether a chemical, substance, or agent meets the definitions of a hazardous substance, harmful biological agent, or harmful physical agent can be raised in any court of competent jurisdiction. However, once the commissioner has affirmatively promulgated that a chemical, substance, or agent does or does not satisfy these definitions, any later review of that same question by a court shall not be de novo but instead as a review of the commissioner's standard.

The commissioner is specifically directed, with all due haste, to review the available scientific evidence concerning the chemicals, substances, and agents covered by the definition of a toxic substance or harmful physical agent contained in the Code of Federal Regulations, title 29, section 1910.20(c)(11) to determine if they meet the definitions of hazardous substance, harmful biological agent, or harmful physical agent in section 182.651. The commissioner is also specifically directed to review new scientific evidence as it develops concerning old and new chemicals, substances, and agents and to promulgate standards in accordance with this subdivision.

Sec. 17. Minnesota Statutes 1982, section 182.655, subdivision 4, is amended to read:

Subd. 4. The commissioner, in promulgating standards dealing with (TOXIC MATERIALS OR HARMFUL PHYSICAL AGENTS) *work environment hazards* under this section, shall set the standard which most adequately assures, to the extent feasible, on the basis of the best available evidence, that no employee will suffer material impairment of health or functional capacity even if such employee has regular exposure to the hazard dealt with by such standard for the period of his working life. Development of standards under this subdivision shall be based upon research, demonstrations, experiments, and such other information as may be appropriate. In addition to the attainment of the highest degree of health and safety protection for the employee, other considerations shall be the latest available scientific data in the field, the feasibility of the standards, and experience gained under this and other health and safety laws. Whenever practicable, the standard promulgated shall be expressed in the terms of objective criteria and of the performance desired.

Sec. 18. Minnesota Statutes 1982, section 182.655, subdivision 10, is amended to read:

Subd. 10. Any standard promulgated under this section shall prescribe the use of labels or other appropriate forms of warning as are necessary to insure that employees are apprised of all hazards to which they are exposed, relevant symptoms and

appropriate emergency treatment, and proper conditions and precautions of safe use or exposure. (WHERE APPROPRIATE, SUCH STANDARDS SHALL ALSO PRESCRIBE SUITABLE PROTECTIVE EQUIPMENT, IF FEASIBLE ENGINEERING AND ADMINISTRATIVE METHODS OF PROTECTION ALONE DO NOT PROVIDE ADEQUATE PROTECTION, AND THIS EQUIPMENT SHALL BE MADE AVAILABLE BY OR AT THE COST OF THE EMPLOYER. SUCH STANDARDS SHALL PROVIDE FOR MONITORING OR MEASURING EMPLOYEE EXPOSURE AT SUCH LOCATIONS AND INTERVALS AND IN SUCH MANNER AS MAY BE NECESSARY AND APPROPRIATE FOR THE PROTECTION OF EMPLOYEES. IN ADDITION, WHERE APPROPRIATE, ANY SUCH STANDARD SHALL PRESCRIBE THE TYPE AND FREQUENCY OF MEDICAL EXAMINATIONS OR OTHER TESTS WHICH SHALL BE MADE AVAILABLE BY THE EMPLOYER, OR AT HIS COST, TO EMPLOYEES EXPOSED TO SUCH HAZARDS IN ORDER TO MOST EFFECTIVELY DETERMINE WHETHER THE HEALTH OF SUCH EMPLOYEES IS ADVERSELY AFFECTED BY SUCH EXPOSURE. THE RESULTS OF SUCH EXAMINATIONS OR TESTS SHALL BE FURNISHED ONLY TO THE COMMISSIONER AND, AT THE REQUEST OF THE EMPLOYEE, TO HIS PHYSICIAN.) *In the case of work environment hazards, it shall be presumed by the commissioner that labeling of containers containing hazardous substances or harmful biological agents or posting notices in areas where work environment hazards are present is necessary to properly apprise employees. This presumption can be rebutted only by a finding by the commissioner that labeling or posting required under other federal or state law is adequate to fulfill the purposes of this subdivision.*

Sec. 19. Minnesota Statutes 1982, section 182.655, is amended by adding a subdivision to read:

Subd. 10a. Where appropriate, standards shall prescribe suitable protective equipment, if feasible engineering and administrative methods of protection alone do not provide adequate protection, and this equipment shall be made available by or at the cost of the employer. Standards shall also provide for monitoring or measuring employee exposure at the locations and intervals and in the manner as may be necessary and appropriate for the protection of employees. Where appropriate, a standard shall prescribe the type and frequency of medical examinations or other tests which shall be made available by the employer, or at his cost, to employees exposed to hazards in order to most effectively determine whether the health of those employees is adversely affected by such exposure. The results of these examinations or tests shall be furnished only to the commissioner and, at the request of the employee, to his physician.

Sec. 20. Minnesota Statutes 1982, section 182.655, subdivision 11, is amended to read:

Subd. 11. The commissioner shall provide for an emergency temporary standard to take immediate effect upon publication if he determines:

(a) That employees are exposed to grave danger from exposure to (SUBSTANCES OR AGENTS DETERMINED TO BE TOXIC OR PHYSICALLY HARMFUL OR FROM NEW) *work environment hazards or other hazards*; and

(b) That such emergency standard is necessary to protect employees from such danger. Such standard shall be effective until superseded by a standard promulgated in accordance with the procedures prescribed in subdivision 2.

Upon publication of such standard or standards, which interested persons may receive upon request and payment of fees, the commissioner shall commence a proceeding in accordance with subdivision 2 and the standard as published shall also serve as a proposed rule for the proceeding; the commissioner shall promulgate a standard under this section no later than six months after the publication of the emergency standard.

Sec. 21. [182.6575] [WAIVER PROHIBITED.]

No employer may request or require any employee to waive any rights under section 182.654 or occupational safety and health standards promulgated pursuant to this chapter.

Sec. 22. Minnesota Statutes 1982, section 182.658, is amended to read:

182.658 [POSTING REQUIREMENTS.]

The commissioner shall issue regulations requiring that employers, through posting of notices or other appropriate means, keep their employees informed of their protections and obligations under (LAWS 1973, CHAPTER 732) *sections 182.65 to 182.674* including the provisions of applicable standards.

Sec. 23. Minnesota Statutes 1982, section 182.66, subdivision 1, is amended to read:

Subdivision 1. If, upon inspection or investigation, the commissioner believes that an employer has violated a requirement of section 182.653, (SUBDIVISIONS 2 TO 4,) or any standard, rule, regulation or order prescribed pursuant to Laws 1973, Chapter 732, he shall with reasonable promptness and in no event later than six months following the inspection issue to the employer by certified mail a written citation. The citation shall be in writing and shall describe with particularity the nature of the violation, including a reference to the provision of the act,

standard, rule, regulation or order alleged to have been violated. In addition, the citation shall fix a reasonable time for the abatement of the violation.

Sec. 24. Minnesota Statutes 1982, section 182.663, subdivision 3, is amended to read:

Subd. 3. The commissioner shall issue regulations requiring employers to maintain accurate records of employee exposures to (POTENTIALLY TOXIC MATERIALS OR HARMFUL PHYSICAL AGENTS) *work environment hazards* which are required to be monitored under Laws 1973, Chapter 732. Such regulations shall provide employees or their representatives with an opportunity to have access to the records thereof. Such regulations shall provide employees or their representatives, with an opportunity to observe such monitoring or measuring and to have access to the records thereto. In order to carry out the provisions of this section, such regulations may include provisions requiring employers to conduct periodic inspections. Each employer shall promptly notify any employee who has been or is being exposed to (TOXIC MATERIALS OR HARMFUL PHYSICAL AGENTS) *a work environment hazard* in concentrations or at levels which exceed those prescribed by an applicable occupational safety and health standard promulgated under Laws 1973, Chapter 732, and shall inform any employee who is being thus exposed of the corrective action being taken.

Sec. 25. Minnesota Statutes 1982, section 182.666, is amended by adding a subdivision to read:

Subd. 5a. Any employer who knowingly violates section 11 shall be assessed a fine of up to \$1,000 for each violation. The employer shall also be liable to each aggrieved employee for civil punitive damages of \$200.

Sec. 26. Minnesota Statutes 1982, section 182.668, is amended to read:

182.668 [TRADE SECRETS.]

Subdivision 1. [DETERMINATION BY COMMISSIONER.] The commissioner may, on request and after a sufficient showing by the employer, determine that an employer's use of a substance, agent, or mechanism is a trade secret as defined in section 325C.01, subdivision 5.

Subd. 2. [CLASSIFICATION OF DATA.] All information reported to or otherwise obtained by the commissioner or his representative in connection with any inspection or proceeding under Laws 1973, Chapter 732 which contains or which might reveal a trade secret shall be considered confidential except that such information may be disclosed to other officers or employees

concerned with carrying out Laws 1973, Chapter 732 or when relevant in any proceeding under Laws 1973, Chapter 732.

Subd. 3. [PROTECTION OF CONFIDENTIALITY.] The commissioner shall issue such orders as may be appropriate to protect the confidentiality of trade secrets by allowing, upon the request of an employer any authorized representative of employees in inspections of trade secrets areas or discussions involving trade secrets to be replaced by an employee authorized by the employer; by permitting the employer to screen out trade secret details where photographs are deemed essential to the investigation; and by allowing the employer to restrict samples to be taken where trade secrets might be exposed.

Subd. 4. [RESTRICTIONS ON DISCLOSURE.] Information provided to an employer, employee, or employee representative pursuant to section 8, 9, or 13, which has been determined to be a trade secret pursuant to subdivision 1, shall not be disclosed to anyone except as required for medical treatment, training under section 9, information under sections 8 or 13, or in the course of an investigation or proceeding under sections 182.65 to 182.674. An employer, employee, or employee representative who knowingly discloses information in violation of this subdivision and any person knowingly receiving such information is guilty of a gross misdemeanor. An employer, employee, or employee representative who violates this subdivision shall also be liable for damages to the aggrieved employer, including consequential damages caused by the unlawful receipt or disclosure.

Sec. 27. [182.675] [RELATIONSHIP TO COLLECTIVE BARGAINING.]

Although not required, an employee may seek to resolve any dispute arising under this chapter through resolution procedures provided by any applicable labor agreement or, if there is no applicable provision of a labor agreement, through a dispute resolution procedure that shall be developed by the commissioner. The employee shall not be deemed to have waived or lost any substantive or procedural rights under this chapter due to resort to the resolution methods and can pursue all legal remedies under this chapter without any prejudice due to the results of these resolution methods. The applicable statutes of limitations under this chapter shall toll during the employee's resort to these resolution methods. The commissioner may adopt temporary rules to develop a dispute resolution procedure. Nothing in this chapter shall be deemed to prevent the creation of additional rights or remedies for employees pursuant to a labor agreement or personnel rule.

Sec. 28. [INSTRUCTION TO REVISOR.]

Whenever the phrase "Laws 1973, chapter 732" or a like phrase appears in Minnesota Statutes, chapter 182, the revisor

of statutes shall substitute the phrase "this chapter" or "chapter 182."

Sec. 29. [EFFECTIVE DATE.]

The provisions of sections 1 to 27 become effective 180 days after the date of final enactment."

Delete the title and insert:

"A bill for an act relating to labor; providing for occupational safety and health; defining "work environment hazards" and other terms; requiring manufacturers of work environment hazards to provide certain information; requiring employers to provide employees with training concerning work environment hazards; requiring training of people employed as waste haulers; requiring training for hospital employees; giving employees a right to information concerning work environment hazards; giving employees a right to refuse to work with a work environment hazard under certain circumstances; creating a presumption that work environment hazards must be labeled; prohibiting waiver of any employee rights under the state occupational safety and health act; clarifying relation of bargaining agreements to safety laws; providing protection for trade secrets; providing civil and criminal penalties; amending Minnesota Statutes 1982, sections 182.651, by adding subdivisions; 182.653, by adding subdivisions; 182.654, subdivision 7, and by adding subdivisions; 182.655, subdivisions 4, 10, 11, and by adding subdivisions; 182.658; 182.66, subdivision 1; 182.663, subdivision 3; 182.666, by adding a subdivision; and 182.668; proposing new law coded in Minnesota Statutes, chapter 182."

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

The report was adopted.

Norton from the Committee on Governmental Operations to which was referred:

H. F. No. 253, A bill for an act relating to the operation of state government; clarifying certain provisions regarding the term of the legislative auditor; amending Minnesota Statutes 1982, section 3.97, subdivision 4.

Reported the same back with the following amendments:

Page 1, delete lines 24 and 25, and insert:

"Sec. 2. Minnesota Statutes 1982, section 3.972, is amended to read:

3.972 [(DUTIES AS TO STATE AGENCIES AND SEMI-STATE) AGENCIES; AUDITS; DEFINITIONS.]

Subdivision 1. [PUBLIC ACCOUNTANT.] For the purposes of this section, "public accountant" means a certified public accountant, certified public accounting firm, or a licensed public accountant licensed by the board of accountancy pursuant to sections 326.17 to 326.23.

Subd. 2. [AUDITS OF STATE AND SEMI-STATE AGENCIES.] The legislative auditor shall make a constant audit of all financial affairs of all departments and agencies of the state, and of the financial records and transactions of public boards, associations, and societies supported, wholly or in part, by state funds. Once in each year, if funds and personnel permit, without previous notice, he shall visit each of such state departments and agencies, associations or societies and, so far as practicable, inspect such agencies, thoroughly examine the books and accounts thereof, verifying the funds, securities and other assets, check the items of receipts and disbursements with the voucher records thereof, ascertain the character of the official bonds for the officers thereof and the financial ability of the bondsmen, inspect the sources of revenue thereof, the use and disposition of state appropriations and property, investigate the methods of purchase and sale, the character of contracts on public account, ascertain proper custody and depository for the funds and securities thereof, verify the inventory of public property and other assets held in trust, and ascertain that all financial transactions and operations involving the public funds and property of the state comply with the spirit and purpose of the law, are sound by modern standards of financial management and are for the best protection of the public interest.

Subd. 3. [AUDIT CONTRACTS.] Notwithstanding any other law to the contrary, a state department, board, commission, or other state agency shall not negotiate a contract with a public accountant for an audit, except a contract negotiated by the state auditor for an audit of a local government, unless the contract has been reviewed by the legislative auditor. The legislative auditor shall not participate in the selection of the public accountant, but shall review and submit written comments on the proposed contract within seven days of its receipt. Upon completion of the audit, the legislative auditor shall be given a copy of the final report.

Sec. 3. Minnesota Statutes 1982, section 462A.22, subdivision 10, is amended to read:

Subd. 10. All of the (OFFICIAL) books and records of the agency shall be subject to audit by the legislative auditor in the manner prescribed for other agencies of state government. The agency is authorized also to employ and to contract in its resolu-

tions and indentures for the employment of (INDEPENDENT) public accountants for the audit of books and records pertaining to any fund or funds. *The legislative auditor shall review contracts with public accountants as provided in section 2.*

Sec. 4. [EFFECTIVE DATE.]

Sections 1 to 3 are effective the day following final enactment."

Amend the title as follows:

Page 1, line 4, after the semicolon, insert "providing for the review of audit contracts;"

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

Page 1, line 5, after "4" insert "; 3.972; and 462A.22, subdivision 10"

With the recommendation that when so amended the bill pass.

The report was adopted.

Norton from the Committee on Governmental Operations to which was referred:

H. F. No. 570, A bill for an act relating to the council for the handicapped; providing for appointment of members to the council; decreasing the number of council members; making the council permanent; clarifying the purposes of committees within the council; describing duties; amending Minnesota Statutes 1982, sections 256.481; and 256.482; repealing Minnesota Statutes 1982, section 256.483.

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

The report was adopted.

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

H. F. No. 796, A bill for an act relating to parks, open space and recreation; authorizing the issuance of state bonds and expenditure of the proceeds to acquire and better regional recreation open space lands by the metropolitan council and metropolitan area local governmental units; authorizing expenditures for acquisition and betterment of state parks, recreation areas, trails, forests, fishing management lands, wildlife management areas, natural and scientific areas, wild, scenic, and

recreational rivers, canoe and boating routes, and public water access; appropriating money; amending Minnesota Statutes 1982, section 473.147, subdivision 1.

Reported the same back with the following amendments:

Page 1, line 21, delete "\$34,985,000" and insert "\$36,995,000"

Page 2, line 30, after "86A.05" insert "and Laws of Minnesota 1980, chapter 614, section 164"

Page 4, after line 13, insert:

"(17) For acquisition, betterment and development of the state trail described in section 4.", and in right hand column insert "\$2,000,000"

Page 4, after line 19, insert:

"Sec. 4. Minnesota Statutes 1982, section 85.015, is amended by adding a subdivision to read:

Subd. 14. [STATE TRAIL, RAMSEY AND WASHINGTON COUNTIES.] (a) The trail shall originate at milepost 446.19 on the Soo Line Railroad right-of-way in the Southeast Quarter of Section 19, Township 29 North, Range 22 West, Ramsey County, and shall extend in an easterly and northeasterly direction along the Soo Line Railroad right-of-way to milepost 438.33 in the Southwest Quarter of Section 5, Township 29 North, Range 21 West, in Washington County, and there terminate.

(b) The trail shall be developed primarily for hiking and nonmotorized riding.

(c) In addition to the authority granted in Minnesota Statutes, section 85.015, subdivision 1, lands and interests in lands for the trail may be acquired by eminent domain.

(d) The commissioner of natural resources, after consulting with all local units of government affected by the trail, and with the commissioner of transportation and the metropolitan council, shall prepare a master plan for the trail. After completion of the master plan, any land or interest in land not needed for the trail may be disposed of by the commissioner of natural resources as follows:

(1) by transfer to the department of transportation, the historical society, or another state agency;

(2) by sale at not less than the purchase price to a city, town, school district, park district, or other political subdivision whose boundaries include or are adjacent to the land, for public pur-

poses only, after written notice to each such political subdivision; or

(3) if no offer to purchase is received from any political subdivision within one year after the completion of the master plan; then by public sale, at not less than the purchase price, upon notice published in the manner provided in section 92.14, and otherwise in the same manner as trust fund lands are sold, so far as applicable.

All proceeds derived from the sale of unneeded land or interest in land shall be deposited in the state bond fund. For the purposes of section 4f of the Federal Highway Act of 1968, any land or interest in land not needed for the trail and transferred to another state agency, or sold, does not constitute permanent park, recreation area, or wildlife or waterfowl refuge facility land."

Page 4, line 33, delete "4" and insert "3"

Page 5, line 29, delete "\$35,000" and insert "\$37,000"

Renumber the sections

Amend the title as follows:

Page 1, after line 13, insert "sections 85.015, by adding a subdivision; and"

Page 1, line 14, delete "section"

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 Local and Urban Affairs to which was referred:

H. F. No. 831, A bill for an act relating to real property; requiring certification by the municipality prior to transfer by the county auditor of certain unplatted properties; amending Minnesota Statutes 1982, section 272.162, subdivisions 2 and 3.

Reported the same back with the following amendments:

Page 2, strike line 16

Page 2, line 17, strike "473.121, subdivision 2,"

With the recommendation that when so amended the bill pass.

The report was adopted.

Norton from the Committee on Governmental Operations to which was referred:

H. F. No. 857, A bill for an act relating to labor; establishing the job skills partnership; creating a board; appropriating money; proposing new law coded as Minnesota Statutes, chapter 116K.

Reported the same back with the following amendments:

Page 1, delete lines 17 to 25

Page 2, delete lines 1 and 2

Page 2, line 3, delete everything before "The"

Page 4, line 2, delete "upon recommendation" and insert "after approval"

Page 4, after line 3, insert:

"Sec. 7. [REPEALER.]

Sections 1 to 6 are repealed June 30, 1987."

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

The report was adopted.

Norton from the Committee on Governmental Operations to which was referred:

H. F. No. 955, A bill for an act relating to state contracts; providing for an increase in small business set-aside awards; providing for subcontracting of state construction contracts in certain cases; requiring a staff complement sufficient to facilitate the set-aside program; providing for a small business procurement advisory council; requiring the commissioner of administration to promulgate rules; providing for certain reports to the governor, legislature, and small business procurement advisory council; limiting the local purchasing authority of state departments and agencies; amending Minnesota Statutes 1982, sections 16.083, subdivisions 1, 4, and by adding a subdivision; 16.084; 16.085; 16.086, subdivision 1; and 16.28.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1982, section 16.083, subdivision 1, is amended to read:

Subdivision 1. [SMALL BUSINESS SET-ASIDES.] The commissioner of administration shall for each fiscal year designate and set aside for awarding to small businesses approximately (20) 30 percent of the value of anticipated total state procurement of goods and services including construction. The commissioner shall divide the procurements so designated into contract award units of economically feasible production runs in order to facilitate offers or bids from small businesses. In making his annual designation of set-aside procurements the commissioner shall attempt to vary the included procurements so that a variety of goods and services produced by different small businesses shall be set aside each year. The failure of the commissioner to set aside particular procurements shall not be deemed to prohibit or discourage small businesses from seeking the procurement award through the normal solicitation and bidding processes.

Sec. 2. Minnesota Statutes 1982, section 16.083, is amended by adding a subdivision to read:

Subd. 1a. [CONSULTANT, PROFESSIONAL AND TECHNICAL PROCUREMENTS.] Every state agency shall for each fiscal year designate and set aside for awarding to small businesses approximately 30 percent of the value of anticipated procurements of that agency for consultant services or professional and technical services. The set aside under this subdivision shall be in addition to that provided by subdivision 1, but shall otherwise comply with section 16.098 and the set aside for businesses owned and operated by socially or economically disadvantaged persons.

Sec. 3. Minnesota Statutes 1982, section 16.083, subdivision 4, is amended to read:

Subd. 4. [PREFERENCE TO SMALL BUSINESSES.] At least (15 PERCENT) *one-third* of the value of the procurements designated for set-aside awards shall be awarded, if possible, to businesses owned and operated by socially or economically disadvantaged persons. In the event small businesses owned and operated by socially or economically disadvantaged persons are unable to perform at least (15 PERCENT) *one-third* of the set-aside awards, the commissioner shall award the balance of the set-aside contracts to other small businesses. *At least 50 percent of the value of the procurements awarded to businesses owned and operated by socially or economically disadvantaged*

persons shall actually be performed by the business to whom the award is made or another business owned and operated by a socially or economically disadvantaged person or persons. Subcontracting done in the normal course of business shall be deemed to have been performed by a business owned and operated by a socially or economically disadvantaged person or persons.

Sec. 4. Minnesota Statutes 1982, section 16.083, is amended by adding a subdivision to read:

Subd. 4a. [CONTRACTS IN EXCESS OF \$200,000; SET-ASIDE.] The commissioner as a condition of awarding state procurements for construction contracts or approving contracts for consultant, professional or technical services pursuant to section 16.098, in excess of \$200,000 shall require that at least ten percent of the contract award to a prime contractor be subcontracted to a business owned and operated by a socially or economically disadvantaged person or persons. In the event small businesses owned and operated by socially and economically disadvantaged persons are unable to perform ten percent of the prime contract award, the commissioner shall require that other small businesses perform at least ten percent of the prime contract award. Each construction contractor bidding on a project over \$200,000 shall submit with the bid a list of the businesses owned and operated by socially or economically disadvantaged persons that are proposed to be utilized on the project with a statement indicating the portion of the total bid to be performed by each business. The commissioner shall reject any bid to which this subdivision applies that does not contain this information. Prime contractors receiving construction contract awards in excess of \$200,000 shall furnish to the commissioner the name of each business owned and operated by a socially or economically disadvantaged person or persons or other small business that is performing work on the prime contract and the dollar amount of the work performed.

Sec. 5. Minnesota Statutes 1982, section 16.084, is amended to read:

16.084 [ENCOURAGEMENT OF PARTICIPATION; ADVISORY TASK FORCE.]

Subdivision 1. [COMMISSIONER OF ADMINISTRATION.] The commissioners of administration and energy, planning and development shall publicize the provisions of the set-aside program, attempt to locate small businesses able to perform set-aside procurement awards, (AND) encourage participation. When the commissioner of administration determines that a small business is unable to perform under a set-aside contract, he shall (SO) inform the commissioner of energy, planning and development who shall assist the small business in attempting to remedy the causes of the inability to perform a set-aside award. In assisting the small business, the commis-

sioner of energy, planning and development in cooperation with the commissioner of administration shall use (ANY) management or financial assistance programs (AS MAY BE) made available by or through the department of energy, planning and development, other state or governmental agencies, or private sources.

Subd. 2. [ADVISORY TASK FORCE.] The commissioner of administration may appoint a small business procurement advisory task force to advise the commissioner of administration on matters relating to the small business procurement program. The task force shall consist of 13 members, with one member to be designated by each of the following groups: the council on Black Minnesotans; the council on the affairs of Spanish-speaking people; the Indian affairs intertribal board, the council on the economic status of women, and the handicapped council. Eight members shall be appointed by the governor, with one member representing each of the five minority constituencies. The governor's appointees shall be knowledgeable in the area of business in general and shall have a substantial relationship with the constituent community represented. The remaining three members appointed by the governor shall represent small businesses not owned and operated by socially or economically disadvantaged persons. A chairperson of the advisory task force shall be elected from among the members designated or appointed. The eight members appointed by the governor shall be subject to the appointments program provided by section 15.0597. The terms and removal of all members shall be as provided in section 15.059, but members shall not receive per diem or expenses.

Subd. 3. [DUTIES.] The small business procurement advisory task force shall:

(a) advise the commissioner of administration on matters relating to the small business procurement program;

(b) review complaints or grievances from small business vendors or contractors who are doing or attempting to do business under the program; and

(c) review the quarterly reports of the commissioners of administration and energy, planning and development provided by section 16.086 to ensure compliance with the goals of the program.

Sec. 6. Minnesota Statutes 1982, section 16.085, is amended to read:

16.085 [RULES.]

The commissioner of administration shall promulgate by rule standards and procedures for certifying that small businesses

and small businesses owned and operated by socially or economically disadvantaged persons are eligible to participate under the requirements of sections 16.081 to 16.086. (THE PROCEDURE FOR DETERMINATION OF ELIGIBILITY MAY INCLUDE SELF CERTIFICATION BY A BUSINESS, PROVIDED THAT THE COMMISSIONER RETAINS THE ABILITY TO VERIFY A SELF CERTIFICATION.) The commissioner shall promulgate *by rule standards and procedures for hearing appeals and grievances and other rules as may be necessary to carry out the duties set forth in sections 16.081 to 16.086.* The commissioner may make rules which exclude or limit the participation of nonmanufacturing business, including third-party lessors, jobbers, manufacturers' representatives, and others from eligibility under Laws 1980, Chapter 361. *The commissioner may promulgate rules to establish a preference program whereby businesses owned and operated by socially and economically disadvantaged persons would be allowed a 5 percent preference in the bid amount on selected state procurements. Any preference program established by the commissioner shall expire on June 30, 1986, and the commissioner shall report to the legislature on the progress of the program by January 1, 1986. The commissioner shall adopt rules providing for the purchase of supplies, equipment, and other property by state agencies when the amount of the purchase is not less than \$100 nor more than \$500 without prior approval of the commissioner when the agency has adopted a plan to make 10 percent of the purchases on an annual basis from businesses owned and operated by socially and economically disadvantaged persons. The rules shall provide that any agency plan include provisions for purchases from vendors throughout the state for any agency that has offices located statewide, and for purchases from local vendors by agency offices.*

Sec. 7. Minnesota Statutes 1982, section 16.086, subdivision 1, is amended to read:

Subdivision 1. [COMMISSIONER OF ADMINISTRATION.] The commissioner of administration shall submit an annual report pursuant to section 3.195 to the governor and the legislature with a copy to the commissioner of energy, planning and development indicating the progress being made toward the objectives and goals of sections 16.081 to 16.086 during the preceding fiscal year. (THIS REPORT) *The commissioner shall also submit a quarterly report to the small business procurement advisory task force. These reports shall include the following information:*

(a) the total dollar value and number of potential set-aside awards identified during this period and the percentage of total state procurement this figure reflects;

(b) the number of small businesses identified by and responding to the set-aside program, the total dollar value and

number of set-aside contracts actually awarded to small businesses with appropriate designation as to the total number and value of set-aside contracts awarded to each small business, and the total number of small businesses that were awarded set-aside contracts;

(c) the total dollar value and number of set-aside contracts awarded to small businesses owned and operated by economically or socially disadvantaged persons with appropriate designation as to the total number and value of set-aside contracts awarded to each small business *and to each category of economically or socially disadvantaged persons as defined by section 645.445 and agency rules*, and the percentages of the total state procurements the figures of total dollar value and the number of set-asides reflect;

(d) the number of contracts which were designated and set-aside pursuant to section 16.083 but which were not awarded to a small business, the estimated total dollar value of these awards, the lowest offer or bid on each of these awards made by the small business and the price at which these contracts were awarded pursuant to the normal procurement procedures.

Sec. 8. Minnesota Statutes 1982, section 16.098, subdivision 4, is amended to read:

Subd. 4. [PROCEDURE FOR CONSULTANT AND PROFESSIONAL AND TECHNICAL SERVICES CONTRACTS.] Before approving a proposed state contract for consultant services or professional and technical services the commissioner shall have at least determined that:

(1) all provisions of *section 16.083, subdivisions 1a and 4a, and subdivisions 2 and 3 of this section* have been verified or complied with;

(2) the work to be performed under the contract is necessary to the agency's achievement of its statutory responsibilities, and that there is statutory authority to enter into the contract;

(3) the contract will not establish an employer/employee relationship between the state or the agency and any persons performing under the contract;

(4) no current state employees will engage in the performance of the contract;

(5) no state agency has previously performed or contracted for the performance of tasks which would be substantially duplicated under the proposed contract;

(6) the contracting agency has specified a satisfactory method of evaluating and utilizing the results of the work to be performed.

Sec. 9. Minnesota Statutes 1982, section 16.28, is amended to read:

16.28 [PURCHASES.]

The commissioner of administration, subject to the approval of the governor, may make rules (, REGULATIONS,) and orders regulating and governing the manner and method of purchasing, delivering, and handling of, and the contracting for supplies, equipment, and other property for the various officials, departments, and agencies of the state government and institutions under their control. (SUCH) *These* rules (, REGULATIONS,) and orders shall be uniform, so far as practicable, shall be of general or limited application, and shall include provisions for the following:

(1) the advertisement for and the receipt of bids for supplies and other property and the stimulation of competition with regard thereto;

(2) the purchase of supplies and other property without advertisement or the receipt of bids, where the amount involved will not exceed \$500, when in the judgment of the commissioner it is expedient;

(3) the purchase of supplies and other property without competition in cases of emergency requiring immediate action;

(4) the purchase of certain supplies, equipment, and other property by long or short term contracts, or by purchases of contracts made at certain seasons of the year, or by blanket contracts or orders covering the requirements of one or more departments, offices, and commissions;

(5) the time for submitting estimates for various supplies, equipment, and other property;

(6) regulation to secure the prompt delivery of commissary or other necessary supplies;

(7) standardization of forms for estimates, orders, and contracts;

(8) standardization of specifications for purchasing supplies, equipment, and other property;

(9) standardization of quality, grades, and brands to eliminate unnecessary number of commodities or of grades or brands of the same commodity;

(10) the purchase of supplies and other property locally upon permission, specific or otherwise, of the commissioner;

(11) the use and disposal of the products of state institutions;

(12) the disposal of obsolete, excess, and unsuitable supplies, salvage, waste materials, and other property, and (THE) *their* transfer (OF SAME) to other departments, offices, and commissions;

(13) the storage of surplus supplies, equipment, and other property not needed for immediate use;

(14) the testing of commodities or supplies or samples thereof;

(15) hearings on complaints in respect to the quality, grade, or brand of commodities or supplies;

(16) the waiver of rules in special cases;

(17) *The purchase of supplies, equipment and other property by state department and agency heads and institutions under their control without prior approval of the commissioner of administration when the amount involved does not exceed \$100, or when the amount involved is at least \$100 but does not exceed \$500 when the purchases are made in accordance with rules adopted pursuant to section 16.085.*

The commissioner shall have immediate supervision of all purchases and contracts made, and shall carry out and enforce such rules (, REGULATIONS,) and orders relative thereto as he may adopt.

Sec. 10. [APPROPRIATION.]

The sum of \$200,000 is appropriated from the general fund to the department of administration for the 1984-1985 biennium to implement sections 1 to 9. The approved complement of the department of administration is increased by two positions.

Sec. 11. [EFFECTIVE DATE.]

This act is effective July 1, 1983."

Delete the title and insert:

"A bill for an act relating to state contracts; providing for an increase in small business set-aside awards; providing for set aside of consultant, professional and technical contracts; providing for subcontracting of state construction contracts in certain cases; requiring a staff complement sufficient to facilitate the set-aside program; providing for a small business procurement advisory task force; requiring the commissioner of administration to promulgate rules; providing for certain reports to the governor, legislature, and small business procurement advisory council; appropriating money; increasing the approved complement of the department of administration; amending Minnesota Statutes 1982, sections 16.083, subdivisions 1, 4, and by adding subdivisions; 16.084; 16.085; 16.086, subdivision 1; 16.098, subdivision 4; and 16.28."

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

The report was adopted.

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

H. F. No. 957, A bill for an act relating to natural resources; authorizing the commissioner of natural resources to convey to private persons, under certain circumstances, road easements across railroad rights-of-way acquired for trail purposes; proposing new law coded in Minnesota Statutes, chapter 84.

Reported the same back with the following amendments:

Page 1, line 13, delete "*permanent*"

Page 1, line 17, delete "*all of*"

Page 1, line 18, delete "*all other lawful*"

Page 1, line 20, delete "*including but not limited to*" and insert "*through*"

Page 1, line 21, delete everything after "*road*"

Page 1, line 22, delete everything before "*and*"

Page 1, line 24, delete "*any short or long term*"

Page 1, line 26, delete "*permanent*"

Page 2, line 2, delete everything after "*pay*"

Page 2, line 5, delete "also" and delete "such"

Page 2, line 6, after "conditions" insert "of use"

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 1021, A bill for an act relating to corporations; providing for the determination of eligibility for the indemnification of certain persons; prohibiting the use of corporate information obtained improperly; authorizing the use of protective orders and other relief to prevent the premature disclosure of certain confidential information or the use of corporate information obtained improperly; amending Minnesota Statutes 1982, sections 300.083, subdivision 6; 302A.461, subdivisions 4, 6, and by adding a subdivision; and 302A.521, subdivision 6.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1982, section 300.083, subdivision 6, is amended to read:

Subd. 6. [DETERMINATION OF ELIGIBILITY.] (a) All determinations whether indemnification of a person is required because the criteria set forth in subdivision 2 have been satisfied and whether a person is entitled to payment or reimbursement of expenses in advance of the final disposition of a proceeding as provided in subdivision 3 shall be made:

((A)) (1) By the board by a majority of a quorum. Directors who are at the time parties to the proceeding shall not be counted for determining either a majority or the presence of a quorum;

((B)) (2) If a quorum under clause ((A)) (1) cannot be obtained, by a majority of a committee of the board, consisting solely of two or more directors not at the time parties to the proceeding, duly designated to act in the matter by a majority of the full board including directors who are parties;

((C)) (3) If a determination is not made under clause ((A)) (1) or ((B)) (2), by special legal counsel, selected either by a majority of the board or a committee by vote pursuant to clause ((A)) (1) or ((B)) (2) or, if the requisite quorum of the full board cannot be obtained and the committee cannot be

established, by a majority of the full board including directors who are parties;

((D)) (4) If a determination is not made under clauses ((A)) (1) to ((C)) (3), by the shareholders, excluding the votes of shares held by parties to the proceeding; or

((E)) (5) If an adverse determination is made under clauses ((A)) (1) to ((D)) (4), or if no determination is made under clauses ((A)) (1) to ((D)) (4) within 60 days after the termination of a proceeding or after a request for an advance of expenses, as the case may be, by a court in this state, which may be the same court in which the proceeding involving the person's liability took place, upon application of the person and any notice the court requires.

(b) *With respect to a person who is not a director, officer, or person possessing, directly or indirectly, the power to direct or cause the direction of the management or policies of the corporation, the determination whether indemnification of this person is required because the criteria set forth in subdivision 2 have been satisfied and whether this person is entitled to payment or reimbursement of expenses in advance of the final disposition of a proceeding as provided in subdivision 3 may be made by an annually appointed committee of the board, having at least one member who is a director. The committee shall report at least annually to the board concerning its actions.*

Sec. 2. Minnesota Statutes 1982, section 302A.115, is amended by adding a subdivision to read:

Subd. 7. [LOST NAMES; USE BY OTHERS.] Each corporation formed before July 1, 1979 which has not filed the active status report required by Minnesota Statutes 1982, section 301.511 and which has not elected to become governed by chapter 302A before January 1, 1984 shall file that report with the secretary of state accompanied by a filing fee of \$10.

Each corporation which has not filed that report on August 1, 1983 loses its right to the exclusive use of its name. The corporation may reacquire the right to use that name by filing the report and paying the fee required by this subdivision, unless the name has been adopted for use or reserved by another person, in which case the report will be rejected unless the report can be accepted pursuant to subdivision 1, clause (d). A corporation which cannot reacquire the use of its corporate name shall adopt a new corporate name which complies with the provisions of section 302A.115.

Sec. 3. Minnesota Statutes 1982, section 302A.215, is amended to read:

302A.215 [CUMULATIVE VOTING FOR DIRECTORS.]

Subdivision 1. [VOTING RIGHTS.] Unless the articles provide that there shall be no cumulative voting, and except as provided in section 302A.223, subdivision 5, each shareholder entitled to vote for directors has the right to cumulate those votes in the election of directors by giving written notice of intent to cumulate those votes to any officer of the corporation before the meeting, or to the presiding officer at the meeting at which the election is to occur at any time before the election of directors at the meeting, in which case:

(a) The presiding officer at the meeting shall announce, before the election of directors, that shareholders shall cumulate their votes; and

(b) Each shareholder shall cumulate those votes either by casting for one candidate the number of votes equal to the number of directors to be elected multiplied by the number of votes represented by the shares, or by distributing all of those votes on the same principle among any number of candidates.

Subd. 2. [MODIFICATIONS.] No amendment to the articles or bylaws which has the effect of denying, limiting, or modifying the right to cumulative voting for directors provided in this section shall be adopted if the votes of a proportion of the voting power sufficient to elect a director at an election of the entire board under cumulative voting are cast against the amendment.

Sec. 4. Minnesota Statutes 1982, section 302A.413, is amended by adding a subdivision to read:

Subd. 9. [MODIFICATION.] No amendment to the articles or board action pursuant to section 302A.401, subdivision 2, clause (b), which has the effect of denying, limiting, or modifying the preemptive rights provided in this section shall be adopted if the votes of a proportion of the voting power sufficient to elect a director at an election of the entire board under cumulative voting are cast against the amendment.

Sec. 5. Minnesota Statutes 1982, section 302A.461, subdivision 4, is amended to read:

Subd. 4. [RIGHT TO INSPECT.] (a) A shareholder, beneficial owner, or a holder of a voting trust certificate has an absolute right, upon written demand, to examine and copy, in person or by a legal representative, at any reasonable time:

- (1) The share register; and
- (2) All documents referred to in subdivision 2.

(b) A shareholder, beneficial owner, or a holder of a voting trust certificate has a right, upon written demand, to examine and copy, in person or by a legal representative, other corporate records at any reasonable time only if the shareholder, beneficial owner, or holder of a voting trust certificate demonstrates a proper purpose for the examination. A "proper purpose" is one reasonably related to the person's interest as a shareholder, beneficial owner, or holder of a voting trust certificate of the corporation.

(c) No shareholder, beneficial owner, or holder of a voting trust certificate shall use for commercial purposes, or furnish to another for use for commercial purposes, or shall use as a mailing list, other than for a proper purpose, any information obtained in the exercise of any rights under clause (a).

Sec. 6. Minnesota Statutes 1982, section 302A.461, is amended by adding a subdivision to read:

Subd. 4a. [PROTECTIVE ORDERS.] (a) On application of the corporation, a court in this state may issue a protective order or any other relief it deems appropriate in the circumstances, including an award of damages and reasonable expenses, including attorney's fees and disbursements, if the applicant demonstrates that a shareholder, beneficial owner, or holder of a voting trust certificate has violated subdivision 4, clause (c).

(b) On application of the corporation, a court in this state may issue a protective order permitting the corporation to withhold portions of the records of proceedings of the board for a reasonable period of time, not to exceed 12 months, in order to prevent premature disclosure of confidential information which would be likely to cause competitive injury to the corporation. A protective order may be renewed for successive reasonable periods of time, each not to exceed 12 months and in total not to exceed 36 months, for good cause shown. In the event a protective order is issued, the statute of limitations for any action which the shareholder, beneficial owner, or holder of a voting trust certificate might bring as a result of information withheld automatically extends for the period of delay. If the court does not issue a protective order with respect to any portion of the records of proceedings as requested by the corporation, it shall award reasonable expenses, including attorney's fees and disbursements, to the shareholder, beneficial owner, or holder of a voting trust certificate.

Sec. 7. Minnesota Statutes 1982, section 302A.461, subdivision 6, is amended to read:

Subd. 6. [COMPUTERIZED RECORDS.] The records maintained by a corporation, including its share register, financial records, and minute books, may utilize any information

storage technique, including, for example, punched holes, printed or magnetized spots, or micro-images, even though that makes them illegible visually, if the records can be converted (, BY MACHINE) *accurately* and within a reasonable time, into a form that is legible visually and whose contents are assembled by related subject matter to permit convenient use by people in the normal course of business. A corporation shall convert any of the records referred to in subdivision 4 upon the request of a person entitled to inspect them, and the expense of the conversion shall be borne by the person who bears the expense of copying pursuant to subdivision 5. A copy of the conversion is admissible in evidence, and shall be accepted for all other purposes, to the same extent as the existing or original records would be if they were legible visually.

Sec. 8. Minnesota Statutes 1982, section 302A.521, subdivision 6, is amended to read:

Subd. 6. [DETERMINATION OF ELIGIBILITY.] (a) All determinations whether indemnification of a person is required because the criteria set forth in subdivision 2 have been satisfied and whether a person is entitled to payment or reimbursement of expenses in advance of the final disposition of a proceeding as provided in subdivision 3 shall be made:

((A)) (1) By the board by a majority of a quorum. Directors who are at the time parties to the proceeding shall not be counted for determining either a majority or the presence of a quorum;

((B)) (2) If a quorum under clause ((A)) (1) cannot be obtained, by a majority of a committee of the board, consisting solely of two or more directors not at the time parties to the proceeding, duly designated to act in the matter by a majority of the full board including directors who are parties;

((C)) (3) If a determination is not made under clause ((A)) (1) or ((B)) (2), by special legal counsel, selected either by a majority of the board or a committee by vote pursuant to clause ((A)) (1) or ((B)) (2) or, if the requisite quorum of the full board cannot be obtained and the committee cannot be established, by a majority of the full board including directors who are parties;

((D)) (4) If a determination is not made under clauses ((A)) (1) to ((C)) (3), by the shareholders, excluding the votes of shares held by parties to the proceeding; or

((E)) (5) If an adverse determination is made under clauses ((A)) (1) to ((D)) (4), or if no determination is made under clauses ((A)) (1) to ((D)) (4) within 60 days after the termination of a proceeding or after a request for an advance of

expenses, as the case may be, by a court in this state, which may be the same court in which the proceeding involving the person's liability took place, upon application of the person and any notice the court requires.

(b) *With respect to a person who is not a director, officer, or person possessing, directly or indirectly, the power to direct or cause the direction of the management or policies of the corporation, the determination whether indemnification of this person is required because the criteria set forth in subdivision 2 have been satisfied and whether this person is entitled to payment or reimbursement of expenses in advance of the final disposition of a proceeding as provided in subdivision 3 may be made by an annually appointed committee of the board, having at least one member who is a director. The committee shall report at least annually to the board concerning its actions.*

Sec. 9. Minnesota Statutes 1982, section 302A.751, subdivision 1, is amended to read:

Subdivision 1. [WHEN PERMITTED.] A court may grant any equitable relief it deems just and reasonable in the circumstances or may dissolve a corporation and liquidate its assets and business:

(a) In a supervised voluntary dissolution pursuant to section 302A.741;

(b) In an action by a shareholder when it is established that:

(1) The directors or the persons having the authority otherwise vested in the board are deadlocked in the management of the corporate affairs and the shareholders are unable to break the deadlock;

(2) The directors or those in control of the corporation have acted fraudulently, illegally, or in a manner (PERSISTENTLY UNFAIR) *unfairly prejudicial* toward one or more minority shareholders *in their capacities as shareholders, directors, or officers, or as employees of a closely-held corporation;*

(3) The shareholders of the corporation are so divided in voting power that, for a period that includes the time when two consecutive regular meetings were held, they have failed to elect successors to directors whose terms have expired or would have expired upon the election and qualification of their successors;

(4) The corporate assets are being misapplied or wasted; or

(5) The period of duration as provided in the articles has expired and has not been extended as provided in section 302A.801;

(c) In an action by a creditor when:

(1) The claim of the creditor has been reduced to judgment and an execution thereon has been returned unsatisfied; or

(2) The corporation has admitted in writing that the claim of the creditor is due and owing and it is established that the corporation is unable to pay its debts in the ordinary course of business; or

(d) In an action by the attorney general to dissolve the corporation in accordance with section 302A.757 when it is established that a decree of dissolution is appropriate.

Sec. 10. Minnesota Statutes 1982, section 302A.751, is amended by adding a subdivision to read:

Subd. 3a. [CONSIDERATIONS IN GRANTING RELIEF INVOLVING CLOSELY-HELD CORPORATIONS.] In determining whether to order equitable relief, dissolution, or a buy-out, the court shall take into consideration the duty which all shareholders in a closely-held corporation owe one another to act in an honest, fair, and reasonable manner in the operation of the corporation and the reasonable expectations of the shareholders as they exist at the inception and develop during the course of the shareholders' relationship with the corporation and with each other.

Sec. 11. [EFFECTIVE DATE.]

Section 1 is effective January 1, 1984."

Delete the title and insert:

"A bill for an act relating to corporations; providing for the determination of eligibility for the indemnification of certain persons; prohibiting the use of corporate information obtained improperly; authorizing the use of protective orders and other relief to prevent the premature disclosure of certain confidential information or the use of corporate information obtained improperly; permitting the use of corporate names of corporations not filing the active status report; restricting the right of a corporation to deny cumulative voting; protecting preemptive rights of shareholders; clarifying when equitable relief is available to minority stockholders; providing for the retention of cumulative voting and preemptive rights after incorporation; amending Minnesota Statutes 1982, sections 300.083, subdivision 6; 302A.115, by adding a subdivision; 302A.215; 302A.413, by adding a subdivision; 302A.461, subdivisions 4, 6, and by adding a subdivision; 302A.521, subdivision 6; and 302A.751, subdivision 1, and by adding a subdivision."

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 1059, A bill for an act memorializing the President and Congress of the United States to take immediate steps to curb the sources of acid rain.

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

The report was adopted.

Norton from the Committee on Governmental Operations to which was referred:

S. F. No. 147, A bill for an act relating to retirement; employee and employer contributions to the Minnesota state retirement system; amending Minnesota Statutes 1982, section 352.92, subdivisions 1 and 2.

Reported the same back with the following amendments:

Page 1, before line 8, insert:

"Section 1. Minnesota Statutes 1982, section 352.04, subdivision 2, is amended to read:

Subd. 2. [EMPLOYEE CONTRIBUTIONS.] The employee contribution to the fund shall be an amount equal to (3.46) 3.73 percent of salary, beginning with the first full pay period after (DECEMBER 31, 1981) *January 18, 1983*. These contributions shall be made by deduction from salary in the manner provided in subdivision 4.

Sec. 2. Minnesota Statutes 1982, section 352.04, subdivision 3, is amended to read:

Subd. 3. [EMPLOYER CONTRIBUTIONS.] The employer contribution to the fund shall be an amount equal to the total amount deducted from the salaries of employees on each payroll abstract, plus an additional (1.58) 1.87 percent of salary beginning with the first full pay period after (JULY 1, 1982. FOR THE PERIOD BEGINNING WITH THE FIRST FULL PAY PERIOD AFTER DECEMBER 31, 1981, AND ENDING WITH THE LAST FULL PAY PERIOD BEFORE JULY 1, 1982, THE CONTRIBUTION SHALL BE AN AMOUNT EQUAL TO 3.46

PERCENT OF SALARY PLUS AN ADDITIONAL 1.74 PERCENT OF SALARY) *January 18, 1983*. The employer contribution shall be made in the manner provided in subdivisions 5 and 6."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, after the semicolon insert "Minnesota state retirement system; correcting"

Page 1, line 3, delete everything after "contributions" and insert "for general members; reducing rates for correctional members"

Page 1, line 4, delete "system"

Page 1, line 4, delete "section" and insert "sections 352.04, subdivisions 2 and 3; and"

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

The report was adopted.

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

S. F. No. 322, A bill for an act relating to soil and water conservation districts; authorizing annual audits by certified public accountants; amending Minnesota Statutes 1982, section 40.06, subdivision 4.

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

The report was adopted.

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

S. F. No. 332, A bill for an act relating to financial institutions; banks; authorizing the leasing of personal property to employees, stockholders, directors, or officers; amending Minnesota Statutes 1982, section 48.152, subdivision 8; repealing Minnesota Statutes 1982, section 48.152, subdivision 9.

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

The report was adopted.

Norton from the Committee on Governmental Operations to which was referred:

S. F. No. 427, A bill for an act relating to safety glazing material; establishing new requirements for the use of glazed safety glass in hazardous locations; amending Minnesota Statutes 1982, section 299G.13, subdivisions 3 and 10.

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

The report was adopted.

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

S. F. No. 466, A bill for an act relating to game and fish; allowing the commissioner of natural resources to prohibit firing upon, over, or across a public highway for the purpose of taking migratory waterfowl in designated locations; amending Minnesota Statutes 1982, section 100.31.

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

The report was adopted.

Vanasek from the Committee on Judiciary to which was referred:

S. F. No. 529, A bill for an act relating to human rights; prohibiting discrimination because of disability; providing penalties; amending Minnesota Statutes 1982, sections 363.01, subdivision 25, and by adding subdivisions; 363.02, subdivisions 1 and 5; 363.03, subdivisions 1, 3, 4, and 7; and repealing Minnesota Statutes 1982, section 363.03, subdivision 4a.

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

The report was adopted.

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

S. F. No. 551, A bill for an act relating to waters; requiring legislative approval for diversion of water outside the state; amending Minnesota Statutes 1982, section 105.405, subdivision 2.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1982, section 105.405, subdivision 2, is amended to read:

Subd. 2. No permit authorized by sections 105.37 to 105.55 nor any plan for which the commissioner's approval is required or permitted, involving a diversion of any waters of the state, surface or underground, to a place outside of this state shall be granted or approved until after a determination by the commissioner that the water remaining in this state will be adequate to meet the state's water resources needs during the specified life of the diversion project *and after approval by the legislature.*

Sec. 2. Minnesota Statutes 1982, section 105.41, subdivision 5, is amended to read:

Subd. 5. Records of the amount of water appropriated or used shall be recorded for each such installation and such readings and the total amount of water appropriated shall be reported annually to the commissioner of natural resources on or before February 15 of the following year upon forms to be supplied by the commissioner.

(FOR THE PURPOSE OF IMPROVING THE STATE'S WATER USE DATA COLLECTION AND DISSEMINATION SYSTEM, THERE IS ESTABLISHED) *The records shall be submitted with an annual water appropriation processing fee (OF \$5) in the amount established in accordance with the following schedule of fees for each water appropriation permit in force at any time during the year: (a) irrigation permits, \$10 for each permitted 40 acres or portion thereof; (b) for non-irrigation permits, \$5 for each ten million gallons or portion thereof permitted each year, but not to exceed a total fee of \$250 per permit. The fee is payable regardless of the amount of water appropriated during the year. (THE FEE SHALL BE PAID AT THE TIME OF MAKING THE ANNUAL REPORT REQUIRED BY THIS SECTION.)* Failure to pay the fee is sufficient cause for revoking a permit. No fee may be imposed on any state agency, as defined in section 16.011, or federal governmental agency holding a water appropriation permit.

Sec. 3. [APPROPRIATION.]

The sum of \$175,000 is appropriated from the general fund to the commissioner of natural resources for the biennium ending June 30, 1985, for water appropriation management programs.

Sec. 4. [EFFECTIVE DATE.]

Section 2 is effective for reporting years 1983, and following. Sections 1 and 3 are effective July 1, 1983."

Amend the title as follows:

Page 1, line 3, after "state;" insert "increasing water appropriation permit fees; appropriating money;"

Page 1, line 4, delete "section" and insert "sections"

Page 1, line 5, after "2" insert "; and 105.41, subdivision 5"

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

The report was adopted.

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

S. F. No. 597, A bill for an act relating to financial institutions; credit unions; requiring applicants to form a credit union to submit certain information to the commissioner of banks; expanding the class of persons who may become members; allowing certain small groups to join an existing credit union or form a separate credit union; amending Minnesota Statutes 1982, sections 52.01; 52.05; and 168.67.

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

The report was adopted.

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

S. F. No. 611, A bill for an act relating to occupations and professions; limiting municipal regulation of tow truck operators; limiting removal by tow trucks from private property; proposing new law coded in Minnesota Statutes, chapter 465.

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

The report was adopted.

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

S. F. No. 653, A bill for an act relating to natural resources; authorizing the marking of canoe and boating routes on the

Pine river; amending Minnesota Statutes 1982, section 85.32, subdivision 1.

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

The report was adopted.

Norton from the Committee on Governmental Operations to which was referred:

S. F. No. 659, A bill for an act relating to the city of Crookston; providing for membership in the public employees police and fire fund by a certain police officer.

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

The report was adopted.

Wenzel from the Committee on Agriculture to which was referred:

S. F. No. 857, A bill for an act relating to agriculture; excluding pipeline companies from certain restrictions on acquisition of agricultural land; amending Minnesota Statutes 1982, section 500.221, subdivision 2.

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

The report was adopted.

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

S. F. No. 972, A bill for an act relating to natural resources; authorizing the commissioner of natural resources to sell certain lands in St. Louis County; appropriating money.

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

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. Nos. 92, 253, 570, 831, 957 and 1021 were read for the second time.

SECOND READING OF SENATE BILLS

S. F. Nos. 358, 338, 598, 900, 843, 160, 891, 699, 263, 322, 332, 427, 466, 529, 597, 611, 653, 659, 857 and 972 were read for the second time.

INTRODUCTION AND FIRST READING
OF HOUSE BILLS

The following House Files were introduced:

DenOuden introduced:

H. F. No. 1235, A bill for an act relating to education; permitting the development and implementation of a low-powered two way interactive television transmission system for Independent School District No. 341 and Independent School District No. 464; directing the department of education to make a grant for that purpose; appropriating money.

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

Riveness, Swanson, Himle and Blatz introduced:

H. F. No. 1236, A bill for an act relating to local government; permitting certain land transfers by the metropolitan sports facilities commission; amending Minnesota Statutes 1982, section 458.195, subdivision 5; and 473.556, subdivision 6.

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

Krueger, Uphus, Wenzel, Graba and Peterson introduced:

H. F. No. 1237, A bill for an act relating to education; establishing a program to require school districts to provide milk to all elementary and secondary pupils in public and nonpublic schools; appropriating money; proposing new law coded in Minnesota Statutes, chapter 124.

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

Haukoos, Scheid, Dempsey, Schreiber and Minne introduced:

H. F. No. 1238, A bill for an act relating to property tax refund; clarifying the definition of homestead; disallowing the credit for months in which certain welfare benefits are received by the claimant; amending Minnesota Statutes 1982, section 290A.03, subdivision 6; 290A.04, by adding a subdivision; repealing Minnesota Statutes 1982, sections 256.879; and 290A.22.

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

Gustafson introduced:

H. F. No. 1239, A bill for an act relating to taxation; extending availability of confession of judgment procedure to certain non-homestead property; amending Minnesota Statutes 1982, section 279.37, subdivision 1.

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

Sarna introduced:

H. F. No. 1240, A bill for an act relating to health insurance; reinstating health insurance for a certain annuitant.

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

Knickerbocker introduced:

H. F. No. 1241, A bill for an act relating to local government; providing counties with authority relating to certain costs; providing for county boards to set various fees; providing for legislative review of certain fees; amending Minnesota Statutes 1982, sections 98.50, subdivision 5; 144.226; 329.03; 329.04; 330.01, subdivision 1; 357.021, subdivision 2; 357.07; 357.18, subdivisions 1 and 1a; 488A.20, subdivision 4; 514.70; 517.08, subdivision 1b; 525.031; 525.033; and 574.32; and proposing new law coded in Minnesota Statutes, chapter 16.

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

Greenfield, Kahn and Vanasek introduced:

H. F. No. 1242, A resolution memorializing the President and Congress of the United States to amend the law to abolish the denial of financial aid benefits to students who refuse to register for the draft.

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

Greenfield, Eken, Knickerbocker, Sieben and Jennings introduced:

H. F. No. 1243, A resolution memorializing the United States Congress to vote favorably on the bill H. R. 1646, the Railroad Retirement Solvency Act of 1983.

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

Elioff, Munger, Begich, Murphy and Battaglia introduced:

H. F. No. 1244, A bill for an act relating to education; establishing engineering degree programs at the University of Minnesota-Duluth and at a selected state university; creating the Minnesota natural resource institute at the University of Minnesota-Duluth; authorizing a sale of bonds; appropriating money.

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

Riveness; Peterson; Nelson, D.; Zaffke and Murphy introduced:

H. F. No. 1245, A bill for an act relating to nonprofit corporations; providing for approval of certain actions by boards of directors without formal board meetings; amending Minnesota Statutes 1982, section 317.20, subdivision 12.

The bill was read for the first time and referred to the Committee on Commerce and Economic Development.

Wynia, Gutknecht, Forsythe, Swanson and Murphy introduced:

H. F. No. 1246, A bill for an act relating to handicapped persons; establishing a program in the department of economic security to distribute grants to centers providing independent living services; appropriating money; proposing new law coded in Minnesota Statutes, chapter 129A.

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

Ogren, Osthoff, Simoneau, Munger and Kahn introduced:

H. F. No. 1247, A bill for an act relating to elections; requiring major political party registration as a condition of voting in state partisan primary elections; allowing a voter to change at certain times his political party preference; specifying application information for absentee ballot requests; providing certain procedures for verifying right to vote, marking ballots, and reconciliation of the number of ballots cast; requiring certain information on certain election reports; providing for the preparation of a state partisan primary ballot for each major political party; changing certain requirements for voting machines and electronic voting systems; amending Minnesota Statutes 1982, sections 201.071, subdivisions 1 and 3, and by adding a subdivision; 201.091, subdivision 1; 203B.04, subdivision 1; 203B.06, subdivision 4; 203B.12, subdivision 2; 203B.17, subdivision 2; 203B.24, by adding a subdivision; 204C.10; 204C.11; 204C.13, subdivisions 1 and 3; 204C.20, by adding a subdivision; 204C.24, subdivision 1; 204C.32, subdivision 1; 204D.05, subdivisions 1 and 3; 204D.08, subdivision 4; 204D.09; 204D.10, subdivision 1; 206.026, subdivision 1; 206.07, subdivisions 1, 4, and 5; 206.09; and 206.20, subdivision 2; repealing Minnesota Statutes 1982, sections 204C.18, subdivision 1; and 204D.08, subdivision 5.

The bill was read for the first time and referred to the Committee on General Legislation and Veterans Affairs.

Price, Beard and Hoffman introduced:

H. F. No. 1248, A bill for an act relating to Washington County; authorizing the issuance of bonds for library buildings.

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

Heap; Anderson, B., and Levi introduced:

H. F. No. 1249, A bill for an act relating to government meetings; providing that a meeting of fewer than a majority of a quorum is not subject to the open meeting law; amending Minnesota Statutes 1982, section 471.705, subdivision 1.

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

HOUSE ADVISORIES

The following House Advisories were introduced:

Krueger introduced:

H. A. No. 13, A proposal for a study of milk quality standards in Minnesota.

The advisory was referred to the Committee on Agriculture.

Krueger and Graba introduced:

H. A. No. 14, A proposal to study cutbacks in federal funds for milk and dairy programs in schools.

The advisory was referred to the Committee on Agriculture.

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. 157, A bill for an act relating to education; authorizing allowable service years to be used for the teacher early retirement incentive program; amending Minnesota Statutes 1982, section 125.611, subdivision 1.

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. 804, A bill for an act relating to courts; providing for transcript fees; amending Minnesota Statutes 1982, section 486.06.

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. 516, A bill for an act relating to the city of Montevideo; giving it certain powers of a statutory city.

H. F. No. 1079, A bill for an act relating to social and charitable organizations; including planning and developing costs as fundraising costs; amending Minnesota Statutes 1982, section 309.50, subdivision 12.

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. 381, A bill for an act relating to taxation; adopting certain federal provisions relating to income taxes; updating certain references to the Internal Revenue Code; adopting certain federal provisions relating to the determination of interest rates on taxes; imposing penalties; amending Minnesota Statutes 1982, sections 270.75, subdivision 5; 290.01, subdivisions 20, 20a, as amended, 20b, as amended, 20c, and 20f; 290.05, subdivision 6; 290.068, subdivisions 3 and 4; 290.09, subdivisions 2, 7, as amended, and 29; 290.091; 290.10; 290.135, subdivision 1, as amended; 290.16, subdivisions 7 and 16; 290.17, subdivision 1; 290.26, subdivision 2; 290.37, by adding a subdivision; 290.41, subdivisions 3, 8, and by adding a subdivision; 290.45, subdivision 1; 290.48, by adding a subdivision; 290.53, subdivision 2, and by adding subdivisions; 290.92, subdivisions 7, 13, 15, and by adding a subdivision; 290.93, subdivisions 9, 10, and 11; 290.934, subdivision 4; 290.9725; 290.9726, subdivisions 5 and 6; 290.974; 290A.03, subdivision 3; proposing new law coded in Minnesota Statutes, chapter 290; repealing Minnesota Statutes 1982, section 290.01, subdivision 28.

PATRICK E. FLAHAVEN, Secretary of the Senate

Otis moved that the House refuse to concur in the Senate amendments to H. F. No. 381, that the Speaker appoint a Con-

ference 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. 870, A bill for an act relating to state government; authorizing the commissioner of the department of economic security to adopt permanent or temporary rules; proposing new law coded in Minnesota Statutes, chapter 268; repealing Minnesota Statutes 1982, section 268.12, subdivision 3.

PATRICK E. FLAHAVEN, Secretary of the Senate

Rodosovich moved that the House refuse to concur in the Senate amendments to H. F. No. 870, 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. 406, A bill for an act relating to civil actions; allowing prevailing parties to recover disbursements for process served by private process servers; amending Minnesota Statutes 1982, sections 549.04; and 580.17.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Norton moved that the House concur in the Senate amendments to H. F. No. 406 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 406, A bill for an act relating to civil actions; allowing prevailing parties to recover disbursements for process served by private process servers; amending Minnesota Statutes 1982, sections 549.04; and 580.17.

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:

Anderson, B.	Erickson	Kostohryz	Otis	Sherman
Anderson, G.	Evans	Krueger	Pauly	Simoneau
Battaglia	Findlay	Kvam	Peterson	Skoglund
Beard	Fjoslien	Larsen	Piepho	Solberg
Begich	Forsythe	Levi	Piper	Sparby
Bennett	Frerichs	Long	Price	Stadum
Bergstrom	Graba	Ludeman	Quinn	Staten
Bishop	Greenfield	Mann	Quist	Sviggum
Blatz	Gruenes	Marsh	Redalen	Swanson
Brandl	Gustafson	McDonald	Rice	Thiede
Brinkman	Gutknecht	McEachern	Riveness	Tomlinson
Burger	Halberg	McKasy	Rodosovich	Tunheim
Carlson, D.	Haukoos	Metzen	Rodriguez, C.	Uphus
Carlson, L.	Heinitz	Munger	Rodriguez, F.	Valan
Clark, J.	Himle	Murphy	Rose	Valento
Clark, K.	Hoffman	Nelson, D.	St. Onge	Vanasek
Clawson	Hokr	Nelson, K.	Sarna	Waltman
Cohen	Jacobs	Neuenschwander	Schafer	Welch
Coleman	Jennings	Norton	Scheid	Welker
Dempsey	Jensen	O'Connor	Schoenfeld	Welle
DenOuden	Johnson	Ogren	Schreiber	Wenzel
Dimler	Kalis	Olsen	Seaberg	Wigley
Eken	Kelly	Omann	Segal	Wynia
Elioff	Knickerbocker	Onnen	Shaver	Zaffke
Ellingson	Knuth	Osthoff	Shea	Speaker Sieben

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. 132, A bill for an act relating to state lands; authorizing the sale and conveyance of a certain tract of tax-forfeited land by Sherburne County.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Bergstrom moved that the House concur in the Senate amendments to H. F. No. 132 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 132, A bill for an act relating to state lands; authorizing the sale and conveyance of a certain tract of tax-forfeited land by Sherburne 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 123 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Erickson	Kostohryz	Pauly	Skoglund
Anderson, G.	Evans	Krueger	Peterson	Solberg
Anderson, R.	Findlay	Kvam	Piepho	Sparby
Battaglia	Fjoslien	Larsen	Piper	Stadum
Beard	Forsythe	Levi	Price	Staten
Begich	Frerichs	Long	Quinn	Svigum
Bennett	Graba	Ludeman	Quist	Swanson
Bergstrom	Greenfield	Mann	Redalen	Thiede
Bishop	Gruenes	Marsh	Rice	Tomlinson
Blatz	Gustafson	McDonald	Riveness	Tunheim
Brandl	Gutknecht	McEachern	Rodosovich	Uphus
Brinkman	Halberg	McKasy	Rodriguez, C.	Valan
Burger	Haukoos	Metzen	Rodriguez, F.	Valento
Carlson, D.	Heinitz	Munger	Rose	Vanasek
Carlson, L.	Himle	Murphy	St. Onge	Waltman
Clark, J.	Hoffman	Nelson, D.	Sarna	Welch
Clark, K.	Hokr	Nelson, K.	Schafer	Welker
Clawson	Jacobs	Neuenschwander	Scheid	Welle
Cohen	Jennings	Norton	Schoenfeld	Wenzel
Coleman	Jensen	Ogren	Seaberg	Wigley
Dempsey	Johnson	Olsen	Segal	Wynia
DenOuden	Kalis	Omann	Shaver	Zaifke
Dimler	Kelly	Onnen	Shea	Speaker Sieben
Eken	Knickerbocker	Osthoff	Sherman	
Elioff	Knuth	Otis	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. 511, A bill for an act relating to labor; creating an exemption to the minimum wage overtime provisions for silo builders; amending Minnesota Statutes 1982, section 177.25, by adding a subdivision.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Graba moved that the House concur in the Senate amendments to H. F. No. 511 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 511, A bill for an act relating to labor; creating an exemption to the minimum wage overtime provisions for silo builders; amending Minnesota Statutes 1982, section 177.25, 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 125 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Ellingson	Knickerbocker	Otis	Sherman
Anderson, G.	Erickson	Knuth	Pauly	Simoneau
Anderson, R.	Evans	Kostohryz	Peterson	Skoglund
Battaglia	Findlay	Krueger	Piepho	Solberg
Beard	Fjoslien	Kvam	Piper	Sparby
Begich	Forsythe	Larsen	Price	Stadum
Bennett	Frerichs	Levi	Quinn	Staten
Bergstrom	Graba	Ludeman	Quist	Sviggum
Bishop	Greenfield	Mann	Redalen	Swanson
Blatz	Gruenes	Marsh	Rice	Thiede
Brandl	Gustafson	McDonald	Riveness	Tomlinson
Brinkman	Gutknecht	McEachern	Rodosovich	Tunheim
Burger	Halberg	McKasy	Rodriguez, C.	Uphus
Carlson, D.	Haukoos	Metzen	Rodriguez, F.	Valan
Carlson, L.	Heap	Munger	Rose	Valento
Clark, J.	Heinitz	Murphy	St. Onge	Vanasek
Clark, K.	Himle	Nelson, D.	Sarna	Waltman
Clawson	Hoffman	Nelson, K.	Schafer	Welch
Cohen	Hokr	Neuenschwander	Scheid	Welker
Coleman	Jacobs	Norton	Schoenfeld	Welle
Dempsey	Jennings	Ogren	Schreiber	Wenzel
DenOuden	Jensen	Olsen	Seaberg	Wigley
Dimler	Johnson	Omann	Segal	Wynia
Eken	Kalis	Onnen	Shaver	Zaffke
Elioff	Kelly	Osthoff	Shea	Speaker Sieben

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. 391, 420, 464, 506 and 771.

PATRICK E. FLAHAVER, Secretary of the Senate

Mr. Speaker:

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

S. F. No. 1195.

PATRICK E. FLAHAVEN, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 391, A bill for an act relating to economic development; regulating loans of the small business finance agency; amending Minnesota Statutes 1982, sections 116J.88, subdivisions 4 and 8, and by adding a subdivision; 116J.89, by adding a subdivision; 116J.90, subdivision 2; and 116J.91, subdivision 12.

The bill was read for the first time and referred to the Committee on Commerce and Economic Development.

S. F. No. 420, A bill for an act relating to judgments; requiring interest to be paid from the date of an initial judgment; amending Minnesota Statutes 1982, section 549.09.

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

S. F. No. 464, A bill for an act relating to port authorities; providing for approval of port authority land sales; amending Minnesota Statutes 1982, section 458.17.

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

S. F. No. 506, A bill for an act relating to probate; changing the time for closing certain estates; amending Minnesota Statutes 1982, section 524.3-1003.

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

S. F. No. 771, A bill for an act relating to courts; providing for removal of claims from municipal court to district court; amending Minnesota Statutes 1982, section 488A.01, subdivision 15; and 488A.18, subdivision 15.

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

S. F. No. 1195, A resolution memorializing the United States Congress to vote favorably on the bill H. R. 1646, the Railroad Retirement Solvency Act of 1983.

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, Greenfield moved that the rule therein be suspended and an urgency be declared so that S. F. No. 1195 be given its second and third readings and be placed upon its final passage. The motion prevailed.

Greenfield moved that the rules of the House be so far suspended that S. F. No. 1195 be given its second and third readings and be placed upon its final passage. The motion prevailed.

S. F. No. 1195 was read for the second time.

S. F. No. 1195, A resolution memorializing the United States Congress to vote favorably on the bill H. R. 1646, the Railroad Retirement Solvency Act of 1983.

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 110 yeas and 8 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Evans	Krueger	Osthoff	Simoneau
Anderson, C.	Fjoslien	Kvam	Otis	Skoglund
Anderson, R.	Forsythe	Larsen	Pauly	Solberg
Battaglia	Graba	Levi	Peterson	Sparby
Beard	Greenfield	Long	Piper	Stadum
Begich	Gruenes	Mann	Price	Staten
Bennett	Gustafson	Marsh	Quinn	Sviggum
Bergstrom	Halberg	McDonald	Redalen	Swanson
Blatz	Haukoos	McEachern	Rice	Thiede
Brandl	Heap	McKasy	Riveness	Tomlinson
Brinkman	Himle	Metzen	Rodosovich	Tunheim
Carlson, D.	Hoffman	Munger	Rodriguez, C.	Valan
Carlson, L.	Hokr	Murphy	Rodriguez, F.	Valento
Clark, J.	Jacobs	Nelson, D.	Rose	Vellenga
Clark, K.	Jennings	Nelson, K.	St. Onge	Waltman
Clawson	Jensen	Neuenschwander	Sarna	Welch
Cohen	Johnson	Norton	Scheid	Welle
Coleman	Kalis	O'Connor	Schoenfeld	Wenzel
Dempsey	Kelly	Ogren	Segal	Wigley
Dimler	Knickerbocker	Olsen	Shaver	Wynia
Elioff	Knuth	Omann	Shea	Zaffke
Erickson	Kostohryz	Onnen	Sherman	Speaker Sieben

Those who voted in the negative were:

Bishop
DenOuden

Frerichs
Gutknecht

Quist
Schafer

Uphus

Welker

The bill was passed and its title agreed to.

CONSENT CALENDAR

S. F. No. 708 was reported to the House.

Clawson moved to amend S. F. No. 708, as follows:

Page 4, following line 18, insert:

"Sec. 4. Minnesota Statutes 1982, section 88.78, is amended to read:

88.78 [APPEALS.]

No appeal (SHALL BE) is allowed from a judgment in (ANY COURT OF A JUSTICE OF THE PEACE, OR) a *county or municipal court* (, OR OTHER SIMILAR COURT,) to the district court in any prosecution under sections 88.03 to 88.22, unless the person appealing (SHALL,) *enters into a recognizance* within the time prescribed by law (, ENTER INTO A RECOGNIZANCE, WITH). *The person appealing shall accompany the recognizance with sufficient sureties* (,) or deposit cash bail in twice the amount of the fine and costs, (TO BE) as approved by the (JUSTICE, CONDITIONED) court. *The recognizance shall contain a promise to appear before the district court on the first day of the next general term* (THERE-OF TO BE HELD) in (AND FOR) the same county (,) and to abide the judgment of the *district court* (THEREIN).

The (JUSTICE OR) judge may examine the proposed sureties under oath and (, IN SUCH CASE,) shall make and keep a record of their answers in respect to the kinds and amount of their property not exempt from execution (, AND). He shall furnish a copy of the (SAME) *record* to the director.

When an arrest (SHALL HAVE BEEN) is made for violation of any of the provisions of sections 88.03 to 88.22, or when information of (SUCH) a violation (SHALL HAVE) has been lodged with him, the county attorney of the county in which the offense was committed shall prosecute the accused (WITH DILIGENCE AND ENERGY)."

Page 5, line 6, after the period reinstate the stricken language

Page 5, line 7, reinstate the stricken "the effect of" and "a summons and complaint."

Page 5, line 8, delete the new language

Page 5, line 24, delete the new language and insert "it"

Page 5, line 25, reinstate the stricken language and delete the new language.

Page 6, delete line 36

Page 7, delete lines 1 through 16

Page 8, line 13, strike "in case of" and before "those" insert "with"

Page 10, line 31, after the stricken "such" insert "the"

Page 10, line 31, reinstate the stricken "judicial officer" and delete the new language

Page 13, line 22, reinstate the stricken "judge" and "and"

Page 13, line 23, reinstate the stricken "every" and reinstate the comma

Page 16, line 27, strike "shall" and insert "may"

Page 17, line 6, strike "fund of the county" and insert "district where the violation occurs"

Page 19, line 8, reinstate the stricken "the" before "court"

Page 20, delete lines 25 to 36

Page 21, delete lines 1 to 25

Page 23, line 10, reinstate the stricken ", for which the" and after the stricken "justice" insert "judge" and reinstate "shall"

Page 23, line 11, reinstate the stricken language

Page 23, delete lines 30 to 36

Page 24, delete lines 1 to 11 and insert:

"Sec. 35. Minnesota Statutes 1982, section 351.03, is amended to read:

351.03 [REMOVAL BY GOVERNOR.]

The governor may remove from office any clerk of the supreme court or a district court, judge of probate, judge of any county or municipal court, (JUSTICE OF THE PEACE,) court commissioner, sheriff, constable, coroner, auditor, county recorder, county attorney, (COUNTY SUPERINTENDENT OF SCHOOLS,) county commissioner, county treasurer, or any collector, receiver, or custodian of public moneys, when it appears to him by competent evidence, that (EITHER) *the office holder* has been guilty of malfeasance or nonfeasance in the performance of his official duties (; FIRST GIVING TO SUCH). *The governor shall provide the officer with a copy of the charges against him and an opportunity to be heard in his defense prior to his removal.*"

Page 26, line 4, strike "where he crossed"

Page 26, line 5, delete the new language

Page 26, delete lines 28 to 36

Page 27, delete lines 1 to 4

Page 27, line 31, reinstate the stricken "book" and delete "record"

Page 27, line 33, reinstate the stricken language and after "fees" insert "*as were*"

Page 27, line 34, reinstate the stricken language

Page 27, line 35, reinstate the stricken language and delete the new language

Page 28, line 3, reinstate the stricken "same"

Page 28, line 5, after the stricken "may be" insert "*were*" and reinstate the stricken "vested by law in justices of the peace"

Page 28, line 6, delete "*provided by statute or court rule*"

Page 28, line 16, after the first stricken comma insert "*county or*" and reinstate the stricken "municipal" and delete "*clerk of*"

Page 33, delete lines 4 to 23

Page 33, lines 30, 31 and 32, reinstate the stricken "same"

Page 33, line 32, reinstate the stricken "if they" and after the stricken "has" insert "had" and reinstate the stricken "been served with a"

Page 33, line 33, reinstate the stricken language

Page 33, lines 34 and 35, delete the new language and insert "county or municipal judge"

Page 34, line 31, reinstate the stricken "probate" and "shall have" and "same" and "as a"

Page 34, line 31, delete "has"

Page 34, line 32, after the stricken "peace" insert "county or municipal judge"

Page 34, line 34, reinstate the stricken comma

Page 34, line 35, reinstate the stricken "who" and delete "The court"

Page 35, line 10, delete "court. The court" and insert "judge. The judge"

Page 40, line 19, reinstate "in which every" and delete the new language

Page 40, line 20, after the stricken "be" insert "is" and reinstate "entered" and delete "rendered"

Page 40, line 33, after "authority" insert "formerly" and reinstate the stricken language

Page 40, line 34, reinstate the stricken "magistrates" and delete the new language

Page 41, line 30, after "authority" insert "formerly" and reinstate the stricken language

Page 41, line 31, reinstate the stricken "magistrates" and delete the new language

Page 42, after line 1, insert:

"Section 67. Minnesota Statutes 1982, section 492.02, subdivision 3, is amended to read:

Subd. 3. [AMENDMENT OF RULE.] A rule establishing a traffic violations bureau may be amended at any time (, BUT NO AMENDMENT OF A JUSTICE COURT RULE SHALL

BE EFFECTIVE UNLESS APPROVED BY EACH JUSTICE TO WHOM THE RULE THEN APPLIES UNDER THE PROVISIONS OF SUBDIVISION 2). Before becoming effective each rule of a *county* or municipal (OR JUSTICE OF THE PEACE) court establishing a traffic violations bureau and any amendment (THERETO) *to it* shall be published at the expense of the (MUNICIPALITY) *county* in the same manner as its ordinances."

Page 45, delete line 36.

Page 46, delete lines 1 to 7 and insert:

"Sec. 76. Minnesota Statutes 1982, section 571.64, is amended to read:

571.64 [APPEAL.]

Any party to a garnishment proceeding deeming himself aggrieved by any order or final judgment (THEREIN) *in it* may remove (THE SAME) *it* from the (JUSTICE) *county or municipal* court to the district court, or from the district court to the supreme court, by appeal, in (LIKE CASE,) *the same manner* (, AND EFFECT,) as in a civil action.

Sec. 77. Minnesota Statutes 1982, section 574.18, is amended to read:

574.18 [UNDERTAKING IN LIEU OF BOND.]

In all cases of appeal from a county board to the district court upon the allowance or disallowance of claims, (IN ALL ACTIONS BROUGHT BEFORE JUSTICES OF THE PEACE,) in all appeals from a (JUSTICE) *judge* or probate court to the district court, in all actions begun in the district court, in all cases of appeal or writ of error to remove a cause or proceeding (THEREIN) to the supreme court, and in all cases of special or equitable proceedings in the district court or the supreme court, the filing or service, or both, as may be required, of an undertaking, signed by a surety or sureties, as the law (MAY REQUIRE) *requires*, containing a condition substantially the same as required for bonds, with like sureties, qualifications, and justifications, and without acknowledgment or signature of the principal, (SHALL BE DEEMED) *is* a sufficient compliance with the law to sustain (ANY SUCH) *the* action, appeal, or proceeding. (EVERY SUCH) *The* undertaking shall save and secure all rights and liabilities to the same extent as a bond, and the damages presumed to accrue to the party against whom (SUCH) *the* proceeding is taken (SHALL BE DEEMED) *are* a sufficient consideration for (SUCH) *the* undertaking, though no consideration (BE) *is* mentioned (THEREIN, BUT) *in it*. No undertaking or bond need be given upon any appeal or other

proceeding instituted in favor of the state, or any county, city, town, or school district (THEREIN), or of any executor or administrator as such."

Page 48, delete lines 16 through 30

Page 50, line 15, reinstate the stricken "juror,"

Page 52, after line 19, insert:

"Sec. 87. Minnesota Statutes 1982, section 611.18, is amended to read:

611.18 [APPOINTMENT OF PUBLIC DEFENDER.]

When it (SHALL APPEAR) *appears* to a court (OR MAGISTRATE) that a person requesting the appointment of counsel satisfies the requirements of (LAWS 1965,) *this* chapter (869), the court (OR MAGISTRATE) shall order the appropriate public defender to represent him at all further stages of the proceeding through appeal, if any. For those persons appealing to the supreme court from a conviction or pursuing a post conviction proceeding, after the time for appeal has expired, the state public defender shall be appointed. For all other persons covered by section 611.14, a district public defender shall be appointed to represent them. If conflicting interests exist, or if the district public defender for any other reason is unable to act, or if the interests of justice require, the state public defender may be ordered to represent (SUCH A) *the* person. If at any stage of the proceedings, including an appeal, the court finds that the defendant is financially unable to pay counsel whom he had retained, the court may appoint the appropriate public defender to represent him, as provided in this section. Provided, however, that prior to any court appearance, a public defender may represent a person accused of violating the law, who appears to be financially unable to obtain counsel, and shall continue to represent (SUCH) *the* person unless it is subsequently determined that (SUCH) *the* person is financially able to obtain counsel. (SUCH) *The* representation may be made available at the discretion of the public defender, upon the request of (SUCH) *the* person or someone on his behalf. Any law enforcement officer may notify the public defender of the arrest of any such person."

Page 53, line 25, reinstate the stricken "MAGISTRATE" and delete "JUDGE"

Page 55, line 14, reinstate the stricken "magistrate" and delete "judge"

Page 59, line 14, delete "court" and insert "judge"

Page 59, line 20, after "to" insert "*immediately*."

Page 61, lines 3 and 10, reinstate the stricken "magistrate" and delete "*court*"

Page 66, line 9, reinstate the stricken "MAGISTRATE"

Page 66, line 10, delete "*JUDGE*"

Page 67, line 2, reinstate the stricken "MAGISTRATE"

Page 67, line 3, delete "*JUDGE*"

Page 73, after line 13, insert:

"Sec. 145. Minnesota Statutes 1982, section 648.39, subdivision 2, is amended to read:

Subd. 2. [COUNTY OFFICERS.] Each county shall purchase from the revisor of statutes one copy each for the use of (THE) *each county court clerk and judge (OF PROBATE), county attorney, sheriff, auditor, treasurer, and county recorder (, AND SUPERINTENDENT OF SCHOOLS).*"

Page 73, line 22, delete "*357.15;*"

Page 73, line 25, after "*599.21;*" delete "*599.22; 599.23*" and insert "*599.24*"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 5, after "*88.645;*" insert "*88.73;*"

Page 1, lines 6 and 7, delete "*127.17, subdivision 4;*"

Page 1, line 13, delete "*345.04; 345.05; 345.06;*"

Page 1, line 14, after "*347.04;*" insert "*351.03;*" and delete "*347.05;*"

Page 1, line 15, delete "*347.06;*" and delete "*357.29;*"

Page 1, line 18, delete "*375.24;*"

Page 1, line 24, after "*490.18;*" insert "*492.02, subdivision 3;*"

Page 1, line 25, delete "*571.65*" and insert "*571.64; 574.18;*"

Page 1, line 26, delete "588.02;"

Page 1, line 28, after "611.17;" insert "611.18;"

Page 1, line 39, delete "subdivision 3" and insert "subdivisions 2 and 3"

Page 1, line 40, delete "357.15;"

Page 1, line 43, delete "599.22; 599.23" and insert "599.24"

The motion prevailed and the amendment was adopted.

S. F. No. 708, A bill for an act relating to the court system; removing obsolete references to the justice of the peace and magistrate; amending Minnesota Statutes 1982, sections 72A.12, subdivision 5; 72A.30; 88.645; 97.50, subdivisions 1 and 7; 115.32, subdivision 3; 127.09; 127.17, subdivision 4; 144.12, subdivision 1; 168.46; 169.42, subdivision 5; 169.91; 169.95; 169.965, subdivision 3; 169.966, subdivision 3; 169.971, subdivision 4; 171.08; 171.16, subdivision 1; 181.09; 181.17; 219.32; 219.97, subdivision 13; 290.58; 297A.42, subdivision 2; 299F.40, subdivision 5; 340.85, subdivision 2; 340.91; 345.02; 345.03; 345.04; 345.05; 345.06; 345.14; 346.03; 346.04; 346.09, subdivision 1; 347.04; 347.05; 347.06; 357.12; 357.16; 357.22; 357.27; 357.29; 358.15; 359.061; 359.11; 361.27, subdivision 2; 365.52; 366.20; 367.11; 367.25, subdivision 1; 368.01, subdivision 20; 373.09; 375.24; 390.15; 390.20; 390.31, subdivision 2; 390.33, subdivisions 2 and 6; 395.23; 412.02, subdivision 1; 412.021, subdivision 2; 412.023, subdivision 5; 412.111; 412.861, subdivision 3; 473.608, subdivision 17; 485.07; 488A.021, subdivision 4; 488A.09, subdivision 7; 488A.19, subdivision 5; 490.18; 509.04; 514.29; 514.34; 542.05; 549.03; 550.17; 571.50; 571.58; 571.65; 574.20; 574.35; 588.01, subdivision 3; 588.02; 593.21; 609.27, subdivision 1; 609.415, subdivision 1; 609.66, subdivision 1; 611.07, subdivision 1; 611.17; 617.27; 624.62; 625.01; 625.02; 625.03; 625.04; 625.05; 625.06; 625.07; 625.08; 625.09; 625.10; 625.11; 625.12; 625.13; 625.14; 625.15; 625.17; 625.18; 626.04; 626.05, subdivision 1; 626.06; 626.09; 626.11; 626.14; 626.15; 626.17; 626.66; 629.03; 629.13; 629.14; 629.15; 629.16; 629.17; 629.18; 629.23, subdivision 3; 629.31; 629.36; 629.363; 629.364; 629.39; 629.401; 629.403; 629.41; 629.44; 629.45; 629.53; 629.54; 629.55; 629.60; 629.62; 630.17; 630.37; 631.04; 636.08; 641.07; 641.25; and 648.39, subdivision 3; repealing Minnesota Statutes 1982, sections 357.14; 357.15; 367.03, subdivision 4; 367.21; 388.02; 412.02, subdivision 5; 412.171; 487.01, subdivision 8; 488A.283; 488A.284; 492.02, subdivision 2; 542.15; 549.16; 599.21; 599.22; 599.23; 609.46; 629.56; 629.66; and 629.71.

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 3 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Evans	Kostohryz	Pauly	Simoneau
Anderson, G.	Findlay	Krueger	Peterson	Skoglund
Anderson, R.	Fjoslien	Kvam	Piepho	Solberg
Battaglia	Forsythe	Larsen	Piper	Sparby
Beard	Frerichs	Levi	Price	Stadum
Begich	Graba	Long	Quinn	Staten
Bennett	Greenfield	Mann	Quist	Sviggum
Bergstrom	Gruenes	Marsh	Redalen	Swanson
Bishop	Gustafson	McDonald	Rice	Tomlinson
Blatz	Gutknecht	McEachern	Riveness	Tunheim
Brandl	Halberg	McKasy	Rodosovich	Uphus
Brinkman	Haukoos	Metzen	Rodriguez, C.	Valan
Burger	Heap	Munger	Rodriguez, F.	Valento
Carlson, D.	Heinitz	Murphy	Rose	Vellenga
Carlson, L.	Himle	Nelson, D.	Sarna	Waltman
Clark, J.	Hoffman	Nelson, K.	Schafer	Welch
Clark, K.	Hokr	Neuenschwander	Scheid	Welle
Clawson	Jacobs	Norton	Schoenfeld	Wenzel
Cohen	Jensen	O'Connor	Schreiber	Wigley
Coleman	Johnson	Olsen	Seaberg	Wynia
Dempsey	Kalis	Omann	Segal	Zaffke
DenOuden	Kelly	Onnen	Shaver	Speaker Sieben
Dimler	Knickerbocker	Osthoff	Shea	
Erickson	Knuth	Otis	Sherman	

Those who voted in the negative were:

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

H. F. No. 859, A bill for an act relating to the military; redefining categories of service; restricting state liability for workers' compensation claims, tort claims, and special compensation payments; clarifying applicability of state's uniform code of military justice; reenacting the authority of the adjutant general to repair regimental battle flags; amending Minnesota Statutes 1982, sections 3.732, subdivision 1; 176.011, subdivision 9; 190.05, subdivision 5, and by adding subdivisions; 192.38; 192A.015; and 192A.02, subdivision 1; proposing new law coded in Minnesota Statutes, chapter 190.

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 126 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Beard	Bishop	Burger	Clark, K.
Anderson, G.	Begich	Blatz	Carlson, D.	Clawson
Anderson, R.	Bennett	Brandl	Carlson, L.	Cohen
Battaglia	Bergstrom	Brinkman	Clark, J.	Coleman

Dempsey	Hokr	Murphy	Rodosovich	Swanson
DenOuden	Jacobs	Nelson, D.	Rodriguez, C.	Thiede
Dimler	Jennings	Nelson, K.	Rodriguez, F.	Tomlinson
Eken	Jensen	Neuenschwander	Rose	Tunheim
Elioff	Johnson	Norton	St. Onge	Uphus
Erickson	Kalis	O'Connor	Sarna	Valan
Evans	Kelly	Ogren	Schafer	Valento
Findlay	Knickerbocker	Olsen	Scheid	Vanasek
Fjoslien	Knuth	Omann	Schoenfeld	Vellenga
Forsythe	Kostohryz	Onnen	Schreiber	Waltman
Frerichs	Krueger	Osthoff	Seaberg	Welch
Graba	Kvam	Otis	Segal	Welker
Greenfield	Larsen	Pauly	Shaver	Welle
Gruenes	Levi	Peterson	Shea	Wenzel
Gustafson	Long	Piepho	Sherman	Wigley
Gutknecht	Ludeman	Piper	Simoneau	Wynia
Halberg	Mann	Price	Skoglund	Zaiffke
Haukoos	McDonald	Quinn	Solberg	Speaker Sieben
Heap	McEachern	Quist	Sparby	
Heinitz	McKasy	Redalen	Stadum	
Himle	Metzen	Rice	Staten	
Hoffman	Munger	Riveness	Sviggum	

The bill was passed and its title agreed to.

S. F. No. 827, A bill for an act relating to retirement; public employees retirement association; removing a waiting period prior to the effect of an optional annuity for disabilitants; amending Minnesota Statutes 1982, sections 353.33, subdivision 3a; and 353.656, subdivision 1a.

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 125 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Eken	Johnson	Neuenschwander	Rodriguez, F.
Anderson, R.	Elioff	Kalis	Norton	Rose
Battaglia	Erickson	Kelly	O'Connor	St. Onge
Beard	Evans	Knickerbocker	Ogren	Sarna
Begich	Findlay	Knuth	Olsen	Schafer
Bennett	Fjoslien	Kostohryz	Omann	Scheid
Bergstrom	Forsythe	Krueger	Onnen	Schoenfeld
Bishop	Frerichs	Kvam	Osthoff	Schreiber
Blatz	Graba	Larsen	Otis	Seaberg
Brandl	Gruenes	Levi	Pauly	Segal
Brinkman	Gustafson	Long	Peterson	Shaver
Burger	Gutknecht	Ludeman	Piepho	Shea
Carlson, D.	Halberg	Mann	Piper	Sherman
Carlson, L.	Haukoos	Marsh	Price	Simoneau
Clark, J.	Heap	McDonald	Quinn	Skoglund
Clark, K.	Heinitz	McEachern	Quist	Solberg
Clawson	Himle	McKasy	Redalen	Sparby
Cohen	Hoffman	Metzen	Reif	Stadum
Coleman	Hokr	Munger	Rice	Staten
Dempsey	Jacobs	Murphy	Riveness	Sviggum
DenOuden	Jennings	Nelson, D.	Rodosovich	Swanson
Dimler	Jensen	Nelson, K.	Rodriguez, C.	Thiede

Tomlinson	Valan	Vellenga	Welle	Wynia
Tunheim	Valento	Waltman	Wenzel	Zaffke
Uphus	Vanasek	Welker	Wigley	Speaker Sieben

The bill was passed and its title agreed to.

S. F. No. 833, A bill for an act relating to retirement; White Bear Lake volunteer firefighters; providing for incentive benefit amounts, validating prior actions; repealing Laws 1971, chapter 214; Laws 1979, chapter 201, sections 30 and 31; Laws 1981, chapter 224, section 257.

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 125 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Erickson	Knuth	Otis	Sherman
Anderson, G.	Evans	Kostohryz	Pauly	Simoneau
Anderson, R.	Findlay	Krueger	Peterson	Skoglund
Battaglia	Fjoslien	Kvam	Piepho	Solberg
Beard	Forsythe	Larsen	Price	Stadum
Begich	Frerichs	Levi	Quinn	Staten
Bennett	Graba	Long	Quist	Sviggum
Bergstrom	Greenfield	Ludeman	Redalen	Swanson
Bishop	Gruenes	Mann	Reif	Thiede
Blatz	Gustafson	Marsh	Rice	Tomlinson
Brandl	Gutknecht	McDonald	Riveness	Tunheim
Brinkman	Halberg	McEachern	Rodosovich	Uphus
Burger	Haukoos	McKasy	Rodriguez, C.	Valan
Carlson, D.	Heap	Metzen	Rodriguez, F.	Valento
Carlson, L.	Heinitz	Munger	Rose	Vanasek
Clark, J.	Himle	Murphy	St. Onge	Vellenga
Clark, K.	Hoffman	Nelson, D.	Sarna	Waltman
Clawson	Hokr	Nelson, K.	Schafer	Welch
Cohen	Jacobs	Neuenschwander	Scheid	Welker
Coleman	Jennings	Norton	Schoenfeld	Welle
Dempsey	Jensen	O'Connor	Schreiber	Wenzel
DenOuden	Johnson	Ogren	Seaberg	Wigley
Dimler	Kalis	Olsen	Segal	Wynia
Eken	Kelly	Onnen	Shaver	Zaffke
Elioff	Knickerbocker	Osthoff	Shea	Speaker Sieben

The bill was passed and its title agreed to.

S. F. No. 936 was reported to the House.

Sarna moved to amend S. F. No. 936, as follows:

Amend the title as follows:

Page 1, line 9, delete the second "1" and insert "2"

Page 1, line 11, delete "5" and insert "3"

The motion prevailed and the amendment was adopted.

S. F. No. 936, A bill for an act relating to retirement; the Minneapolis police relief association; board membership; sources and uses of funds; member contributions; amending Laws 1949, Chapter 406, Sections 1, Subdivision 1, as amended; 3, as amended; 4, Subdivisions 2 and 3, as amended; 5, Subdivisions 1, 3, and 5, as amended; and 6, Subdivision 3, as amended; Laws 1953, Chapter 127, Sections 1, Subdivisions 1, as amended, and 4, and by adding a subdivision; and Laws 1965, Chapter 493, Section 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 126 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Findlay	Kvam	Piepho	Solberg
Anderson, G.	Fjoslien	Larsen	Piper	Sparby
Anderson, R.	Forsythe	Levi	Price	Stadum
Battaglia	Frerichs	Long	Quinn	Staten
Beard	Graba	Ludeman	Quist	Sviggum
Begich	Greenfield	Mann	Redalen	Swanson
Bennett	Gruenes	Marsh	Reif	Thiede
Bergstrom	Gustafson	McDonald	Rice	Tomlinson
Bishop	Gutknecht	McEachern	Riveness	Tunheim
Blatz	Halberg	McKasy	Rodosovich	Uphus
Brandl	Haukoos	Metzen	Rodriguez, C.	Valan
Brinkman	Heap	Munger	Rodriguez, F.	Valento
Burger	Heinitz	Murphy	Rose	Vellenga
Carlson, D.	Hinle	Nelson, D.	St. Onge	Waltman
Carlson, L.	Hoffman	Nelson, K.	Sarna	Welch
Clark, J.	Hokr	Neuenschwander	Schafer	Welker
Clark, K.	Jacobs	Norton	Scheid	Welle
Clawson	Jennings	O'Connor	Schoenfeld	Wenzel
Cohen	Jensen	Ogren	Schreiber	Wigley
Coleman	Johnson	Olsen	Seaberg	Wynia
Dempsey	Kalis	Omann	Segal	Zaffke
DenOuden	Kelly	Onnen	Shaver	Speaker Sieben
Dimler	Knickerbocker	Osthoff	Shea	
Elioff	Knuth	Otis	Sherman	
Erickson	Kostohryz	Pauly	Simoneau	
Evans	Krueger	Peterson	Skoglund	

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

S. F. No. 530, A bill for an act relating to the city of Roseville; providing an exception from the Roseville police civil service system for the chief and deputy chief of police.

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 125 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Erickson	Krueger	Pauly	Simoneau
Anderson, G.	Evans	Kvam	Peterson	Skoglund
Anderson, R.	Findlay	Larsen	Piepho	Solberg
Battaglia	Fjoslien	Levi	Price	Sparby
Beard	Forsythe	Long	Quinn	Stadum
Begich	Frerichs	Ludeman	Quist	Staten
Bennett	Graba	Mann	Redalen	Sviggum
Bergstrom	Greenfield	Marsh	Reif	Swanson
Bishop	Gruenes	McDonald	Rice	Thiede
Blatz	Gustafson	McEachern	Riveness	Tomlinson
Brandl	Gutknecht	McKasy	Rodosovich	Tunheim
Brinkman	Haukoos	Metzen	Rodriguez, C.	Uphus
Burger	Heinitz	Munger	Rodriguez, F.	Valan
Carlson, D.	Himle	Murphy	Rose	Valento
Carlson, L.	Hoffman	Nelson, D.	St. Onge	Vanasek
Clark, J.	Hokr	Nelson, K.	Sarna	Vellenga
Clark, K.	Jacobs	Neuenschwander	Schafer	Waltman
Clawson	Jennings	Norton	Scheid	Welch
Cohen	Jensen	O'Connor	Schoenfeld	Welker
Coleman	Johnson	Ogren	Schreiber	Welle
Dempsey	Kalis	Olsen	Seaberg	Wenzel
DenOuden	Kelly	Omann	Segal	Wigley
Dimler	Knickerbocker	Onnen	Shaver	Wynia
Eken	Knuth	Osthoff	Shea	Zaffke
Elioff	Kostohryz	Otis	Sherman	Speaker Sieben

The bill was passed and its title agreed to.

H. F. No. 1107, A bill for an act relating to the Minnesota veterans home; clarifying the treatment of assets for purposes of calculating maintenance charges; amending Minnesota Statutes 1982, section 198.03.

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 124 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Coleman	Haukoos	Levi	Omann
Anderson, G.	Dempsey	Heap	Long	Onnen
Anderson, R.	DenOuden	Heinitz	Ludeman	Osthoff
Battaglia	Dimler	Himle	Mann	Otis
Beard	Eken	Hoffman	Marsh	Pauly
Begich	Elioff	Hokr	McDonald	Peterson
Bennett	Erickson	Jacobs	McEachern	Piepho
Bergstrom	Evans	Jennings	McKasy	Price
Bishop	Findlay	Jensen	Metzen	Quinn
Blatz	Fjoslien	Johnson	Munger	Quist
Brandl	Forsythe	Kalis	Murphy	Redalen
Brinkman	Frerichs	Kelly	Nelson, D.	Reif
Burger	Graba	Knickerbocker	Nelson, K.	Rice
Carlson, L.	Greenfield	Knuth	Neuenschwander	Riveness
Clark, J.	Gruenes	Kostohryz	Norton	Rodosovich
Clark, K.	Gustafson	Krueger	O'Connor	Rodriguez, C.
Clawson	Gutknecht	Kvam	Ogren	Rodriguez, F.
Cohen	Halberg	Larsen	Olsen	Rose

St. Onge	Shaver	Staten	Valan	Welle
Sarna	Sherman	Sviggum	Valento	Wenzel
Schafer	Simoneau	Swanson	Vanasek	Wigley
Scheid	Skoglund	Thiede	Vellenga	Wynia
Schreiber	Solberg	Tomlinson	Waltman	Zaffke
Seaberg	Sparby	Tunheim	Welch	Speaker Sieben
Segal	Stadum	Uphus	Welker	

The bill was passed and its title agreed to.

H. F. No. 1147, A bill for an act relating to local government; permitting the cities of Richfield and Bloomington to implement an energy conservation program; authorizing the financing of a residential energy conservation program; requiring a report to the legislature.

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 99 yeas and 19 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Eken	Kahn	Olsen	Schoenfeld
Anderson, G.	Elioff	Kelly	Omann	Seaberg
Anderson, R.	Ellingson	Knickerbocker	Onnen	Segal
Battaglia	Erickson	Knuth	Osthoff	Shaver
Beard	Evans	Kostohryz	Otis	Simoneau
Begich	Fjoslien	Krueger	Peterson	Skoglund
Bennett	Forsythe	Kvam	Piper	Solberg
Bergstrom	Graba	Larsen	Price	Sparby
Blatz	Greenfield	Levi	Quinn	Staten
Brandl	Gruenes	Long	Redalen	Swanson
Brinkman	Gustafson	McEachern	Reif	Tomlinson
Burger	Gutknecht	Metzen	Rice	Vanasek
Carlson, D.	Halberg	Munger	Riveness	Vellenga
Carlson, L.	Heap	Murphy	Rodosovich	Welch
Clark, J.	Heinitz	Nelson, D.	Rodriguez, C.	Welle
Clark, K.	Himle	Nelson, K.	Rodriguez, F.	Wenzel
Clawson	Hoffman	Neuenschwander	Rose	Wigley
Cohen	Jacobs	Norton	St. Onge	Wynia
Coleman	Jensen	O'Connor	Sarna	Speaker Sieben
Dempsey	Johnson	Ogney	Scheid	

Those who voted in the negative were:

DenOuden	Jennings	Piepho	Sviggum	Waltman
Dimler	Ludeman	Schafer	Thiede	Welker
Frerichs	Marsh	Schreiber	Uphus	Zaffke
Haukoos	McDonald	Stadum	Valento	

The bill was passed and its title agreed to.

S. F. No. 639 was reported to the House.

Piper moved to amend S. F. No. 639, the first engrossment, as follows:

Page 3, after line 7, insert a new section to read:

"Sec. 4. Minnesota Statutes 1982, section 216B.01, is amended to read:

216B.01 [LEGISLATIVE FINDING.]

It is hereby declared to be in the public interest that public utilities be regulated as hereinafter provided in order to provide the retail consumers of natural gas and electric service in this state with adequate and reliable services at reasonable rates, consistent with the financial and economic requirements of public utilities and their need to construct facilities to provide such services or to otherwise obtain energy supplies, to avoid unnecessary duplication of facilities which increase the cost of service to the consumer and to minimize disputes between public utilities which may result in inconvenience or diminish efficiency in service to the consumers. *It is also hereby declared to be in the public interest that public utility rates be set only after giving full consideration to the impact these rates will have on the economic well-being of the state in general and on the particular consumers of the utility's services.* Because municipal utilities are presently effectively regulated by the residents of the municipalities which own and operate them, and cooperative electric associations are presently effectively regulated and controlled by the membership under the provisions of chapter 308, it is deemed unnecessary to subject such utilities to regulation under this chapter except as specifically provided herein."

Page 3, line 9, after "to" delete "3" and insert "4"

Renumber the remaining section accordingly.

Delete the title and insert:

"A bill for an act relating to energy; data reporting; definition of "earth sheltered"; biennial energy reports; certificate of need fees; amending Minnesota Statutes 1982, sections 13.68, subdivision 1; 116J.06, subdivision 2; 116J.18, subdivision 1; and 216B.01."

The motion prevailed and the amendment was adopted.

Piper moved to amend S. F. No. 639, as amended, as follows:

Page 2, line 4, delete "*an earth sheltered building*"

Page 2, delete line 5

Page 2, line 6, delete "*section 16.85.*"

The motion prevailed and the amendment was adopted.

Upon objection of ten members S. F. No. 639, as amended, was stricken from the Consent Calendar and returned to General Orders.

H. F. No. 744, A bill for an act relating to motor vehicles; providing for special, free license plates for recipients of the congressional medal of honor; proposing new law coded in Minnesota Statutes, chapter 168.

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

The question was taken on the passage of the bill and the roll was called. There were 116 yeas and 2 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Evans	Kostohryz	Pauly	Solberg
Anderson, G.	Findlay	Krueger	Piepho	Sparby
Anderson, R.	Fjoslien	Kvam	Piper	Stadum
Battaglia	Forsythe	Larsen	Price	Staten
Beard	Frerichs	Levi	Quinn	Swanson
Begich	Graba	Long	Redalen	Tomlinson
Bennett	Greenfield	Ludeman	Reif	Tunheim
Bergstrom	Gruenes	Mann	Rice	Uphus
Bishop	Gustafson	McDonald	Rivness	Valan
Blatz	Gutknecht	McEachern	Rodosovich	Valento
Brinkman	Halberg	McKasy	Rodriguez, F.	Vanasek
Carlson, L.	Haukoos	Metzen	Rose	Vellenga
Clark, J.	Heap	Munger	St. Onge	Waltman
Clark, K.	Himle	Murphy	Sarna	Welch
Clawson	Hoffman	Nelson, K.	Schafer	Welker
Cohen	Hokr	Neuenschwander	Scheid	Wenzel
Coleman	Jacobs	Norton	Schoenfeld	Wigley
Dempsey	Jennings	O'Connor	Schreiber	Wynia
DenOuden	Jensen	Ogren	Seaberg	Zaffke
Dimler	Johnson	Olsen	Segal	Speaker Sieben
Eken	Kahis	Omann	Shaver	
Elioff	Kelly	Onnen	Sherman	
Ellingson	Knickerbocker	Osthoff	Simoneau	
Erickson	Knuth	Otis	Skoglund	

Those who voted in the negative were:

Quist Shea

The bill was passed and its title agreed to.

H. F. No. 1058, A bill for an act relating to limited partnerships; providing for withdrawals of certain partners; providing for liabilities of partners; amending Minnesota Statutes 1982, sections 322A.27; and 322A.33.

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 0 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Evans	Knuth	Pauly	Simoneau
Anderson, G.	Findlay	Kostohryz	Peterson	Skoglund
Anderson, R.	Fjoslien	Krueger	Piepho	Solberg
Battaglia	Forsythe	Kvam	Piper	Sparby
Beard	Frerichs	Larsen	Price	Stadum
Begich	Graba	Levi	Quinn	Staten
Bennett	Greenfield	Long	Quist	Swanson
Bergstrom	Gruenes	Ludeman	Redalen	Thiede
Bishop	Gustafson	Mann	Reif	Tunlinson
Blatz	Gutknecht	McDonald	Rice	Tunheim
Brinkman	Halberg	McKasy	Riveness	Uphus
Carlson, L.	Haukoos	Metzen	Rodosovich	Valan
Clark, J.	Heap	Munger	Rodriguez, C.	Valento
Clark, K.	Heinitz	Murphy	Rodriguez, F.	Vanasek
Clawson	Himle	Nelson, K.	Rose	Vellenga
Cohen	Hoffman	Neuenschwander	St. Onge	Waltman
Coleman	Hokr	Norton	Schafer	Welch
Dempsey	Jacobs	O'Connor	Scheid	Welker
DenOuden	Jennings	Ogren	Schoenfeld	Welle
Dimler	Jensen	Olsen	Schreiber	Wenzel
Eken	Johnson	Omman	Segal	Wigley
Elioff	Kalis	Onnen	Shaver	Wynia
Ellingson	Kelly	Osthoff	Shea	Zaffke
Erickson	Knickerbocker	Otis	Sherman	Speaker Sieben

The bill was passed and its title agreed to.

H. F. No. 1092, A bill for an act relating to motor vehicles; allowing the holder of personalized license plates to retain the same number after the personalized plates have been damaged, lost, or stolen; amending Minnesota Statutes 1982, section 168.12, subdivision 2a.

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:

Anderson, B.	Clark, J.	Fjoslien	Hokr	Long
Anderson, G.	Clark, K.	Forsythe	Jacobs	Ludeman
Anderson, R.	Clawson	Frerichs	Jennings	Mann
Battaglia	Cohen	Graba	Jensen	McDonald
Beard	Coleman	Greenfield	Johnson	McEachern
Begich	Dempsey	Gruenes	Kalis	McKasy
Bennett	DenOuden	Custafson	Kelly	Metzen
Bergstrom	Dimler	Gutknecht	Knickerbocker	Munger
Bishop	Eken	Halberg	Knuth	Murphy
Blatz	Elioff	Haukoos	Kostohryz	Nelson, D.
Brandl	Ellingson	Heap	Krueger	Nelson, K.
Brinkman	Erickson	Heinitz	Kvam	Neuenschwander
Carlson, D.	Evans	Himle	Larsen	Norton
Carlson, L.	Findlay	Hoffman	Levi	O'Connor

Ogren	Quist	Scheid	Stadum	Waltman
Olsen	Redalen	Schoenfeld	Staten	Welch
Omann	Reif	Schreiber	Swiggum	Welker
Onnen	Rice	Seaberg	Swanson	Welle
Osthoff	Riveness	Segal	Thiede	Wenzel
Otis	Rodosovich	Shaver	Tomlinson	Wigley
Pauly	Rodriguez, C.	Shea	Tunheim	Wynia
Peterson	Rodriguez, F.	Sherman	Uphus	Zaffke
Piepho	Rose	Simoneau	Valan	Speaker Sieben
Piper	St. Onge	Skoglund	Valento	
Price	Sarna	Solberg	Vanasek	
Quinn	Schafer	Sparby	Vellenga	

The bill was passed and its title agreed to.

H. F. No. 1124, A bill for an act relating to Minnesota Statutes; correcting erroneous, ambiguous, omitted, and obsolete references and text; eliminating certain redundant, conflicting, and superseded provisions; providing instructions to the revisor; amending Minnesota Statutes 1982, sections 10A.275; 10A.31, subdivision 2; 10A.32, subdivision 3b; 10A.335; 11A.24, subdivision 6; 15.06, subdivision 1; 16.861, subdivision 3; 17A.06, subdivision 3; 32.212; 32.213; 35.251; 43A.18, subdivision 5; 45.16, subdivision 2; 48.605, subdivision 1; 60A.07, subdivision 8; 60A.17, subdivision 7a; 93.20, subdivision 9; 98.46, subdivision 16; 100.27, subdivision 9; 112.85, subdivision 2; 116D.05; 116G.03, subdivision 5; 116J.70, subdivision 2a; 120.80, subdivision 1; 120.81, subdivision 1; 121.904, subdivision 11b; 168.021, subdivision 2; 169.451; 169.974, subdivision 2; 169.974, subdivision 6; 169.99, subdivision 1; 171.131, subdivision 2; 179.70, subdivision 1; 238.04, subdivision 2; 244.09, subdivision 1; 252A.13, subdivision 2; 253B.19, subdivision 5; 256.871, subdivision 7; 256.976, subdivision 4; 260.185, subdivision 1; 260.193, subdivision 6; 268.18, subdivision 2; 273.13, subdivisions 6 and 7d; 275.125, subdivision 1; 282.38, subdivisions 1 and 2; 290.012, subdivision 2; 297.02, subdivision 5; 298.28, subdivision 1; 326.241, subdivision 1; 327B.01, subdivisions 11 and 14; 327B.04, subdivision 4; 327B.05, subdivision 1; 327B.09, subdivision 1; 340.069; 354.532, subdivision 4; 363.03, subdivision 10; 367.41, subdivisions 1 and 5; 367.42, subdivision 1; 375B.01; 381.12, subdivision 2; 383A.35; 398A.01, subdivision 8; 462.355, subdivision 4; 462.36, subdivision 1; 462.445, subdivision 14; 462C.04, subdivision 2; 474.03; 508A.46; 515A.1-102; 518.24; and 525.619; amending Laws 1982, chapter 581, section 18, subdivision 4; and Laws 1982, Third Special Session chapter 1, article II, section 7; repealing Minnesota Statutes 1982, section 609.01, subdivision 2; repealing Laws 1976, chapters 2, section 62; and 173, section 53; Laws 1981, chapter 224, section 18; Laws 1982, chapters 416, section 1; 424, sections 3 and 8; and 642, section 8.

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

The question was taken on the passage of the bill and the roll was called. There were 126 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Findlay	Kvam	Piepho	Sparby
Anderson, G.	Fjoslien	Larsen	Piper	Stadum
Anderson, R.	Forsythe	Levi	Price	Staten
Battaglia	Frerichs	Long	Quinn	Sviggum
Beard	Graba	Ludeman	Quist	Swanson
Begich	Greenfield	Mann	Redalen	Thiede
Bennett	Gruenes	Marsh	Reif	Tomlinson
Bergstrom	Gustafson	McDonald	Rice	Tunheim
Bishop	Gutknecht	McEachern	Riveness	Uphus
Blatz	Halberg	McKasy	Rodosovich	Valan
Brandl	Haukoos	Metzen	Rodriguez, C.	Valento
Brinkman	Heap	Munger	Rodriguez, F.	Vanasek
Burger	Heinitz	Murphy	Rose	Vellenga
Carlson, D.	Himle	Nelson, D.	St. Onge	Waltman
Carlson, L.	Hoffman	Nelson, K.	Sarna	Welch
Clark, J.	Hokr	Neuenschwander	Schafer	Welker
Clark, K.	Jacobs	Norton	Scheid	Welle
Clawson	Jennings	O'Connor	Schoenfeld	Wenzel
Cohen	Jensen	Ogren	Schreiber	Wigley
Coleman	Johnson	Olsen	Seaberg	Wynia
Dempsey	Kalis	Omann	Segal	Zaffke
Dimler	Kelly	Onnen	Shea	Speaker Sieben
Eken	Knickerbocker	Osthoff	Sherman	
Elioff	Knuth	Otis	Simoneau	
Erickson	Kostohryz	Pauly	Skoglund	
Evans	Krueger	Peterson	Solberg	

The bill was passed and its title agreed to.

S. F. No. 115, A bill for an act relating to local government; providing for the budget date for the city of Minneapolis and Hennepin county municipal building commission; amending Laws 1903, chapter 247, section 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 130 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Clawson	Gruenes	Knickerbocker	Nelson, D.
Anderson, G.	Cohen	Gustafson	Knuth	Nelson, K.
Anderson, R.	Coleman	Gutknecht	Kostohryz	Neuenschwander
Battaglia	Dempsey	Halberg	Krueger	Norton
Beard	DenOuden	Haukoos	Kvam	O'Connor
Begich	Dimler	Heap	Larsen	Ogren
Bennett	Eken	Heinitz	Levi	Olsen
Bergstrom	Elioff	Himle	Long	Omann
Bishop	Ellingson	Hoffman	Ludeman	Onnen
Blatz	Erickson	Hokr	Mann	Osthoff
Brandl	Evans	Jacobs	Marsh	Otis
Brinkman	Findlay	Jennings	McDonald	Pauly
Burger	Fjoslien	Jensen	McEachern	Peterson
Carlson, D.	Forsythe	Johnson	McKasy	Piepho
Carlson, L.	Frerichs	Kahn	Metzen	Piper
Clark, J.	Graba	Kalis	Munger	Price
Clark, K.	Greenfield	Kelly	Murphy	Quinn

Quist	St. Onge	Shea	Swanson	Waltman
Redalen	Sarna	Sherman	Thiede	Welch
Reif	Schafer	Simoneau	Tomlinson	Welker
Rice	Scheid	Skoglund	Tunheim	Welle
Riveness	Schoenfeld	Solberg	Uphus	Wenzel
Rodosovich	Schreiber	Sparby	Valan	Wigley
Rodriguez, C.	Seaberg	Stadum	Valento	Wynia
Rodriguez, F.	Segal	Staten	Vanasek	Zaffke
Rose	Shaver	Sviggum	Vellenga	Speaker Sieben

The bill was passed and its title agreed to.

H. F. No. 779, A bill for an act relating to liquor; authorizing the cities of Roseau and Karlstad to issue one on-sale license to an Eagles Club.

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 125 yeas and 3 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Ellingson	Knickerbocker	Osthoff	Sherman
Anderson, G.	Evans	Knuth	Otis	Simoneau
Anderson, R.	Findlay	Kostohryz	Pauly	Skoglund
Battaglia	Fjoslien	Krueger	Peterson	Solberg
Beard	Forsythe	Larsen	Piepho	Sparby
Begich	Frerichs	Levi	Piper	Stadum
Bennett	Graba	Long	Price	Staten
Bergstrom	Greenfield	Ludeman	Quinn	Sviggum
Bishop	Gruenes	Mann	Quist	Swanson
Blatz	Gustafson	Marsh	Redalen	Thiede
Brandl	Gutknecht	McDonald	Reif	Tomlinson
Brinkman	Halberg	McEachern	Rice	Tunheim
Burger	Haukoos	McKasy	Rodosovich	Uphus
Carlson, D.	Heap	Metzen	Rodriguez, C.	Valan
Carlson, L.	Heinitz	Munger	Rodriguez, F.	Valento
Clark, J.	Himle	Murphy	Rose	Vanasek
Clark, K.	Hoffman	Nelson, D.	St. Onge	Waltman
Clawson	Hokr	Nelson, K.	Sarna	Welch
Cohen	Jacobs	Neuenschwander	Scheid	Welker
Coleman	Jennings	Norton	Schoenfeld	Welle
Dempsey	Jensen	O'Connor	Schreiber	Wenzel
DenOuden	Johnson	Ogren	Seaberg	Wigley
Dimler	Kahn	Olsen	Segal	Wynia
Eken	Kalis	Omann	Shaver	Zaffke
Elioff	Kelly	Onnen	Shea	Speaker Sieben

Those who voted in the negative were:

Erickson. Kvam Schafer

The bill was passed and its title agreed to.

H. F. No. 1006 was reported to the House.

Riveness moved to amend H. F. No. 1006, as follows:

Page 2, after line 15, insert:

"Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective the day following final enactment."

The motion prevailed and the amendment was adopted.

H. F. No. 1006, A bill for an act relating to intoxicating liquor; authorizing a city to authorize an on-sale licensee to dispense liquor at events held in facilities of the metropolitan sports facilities commission; amending Minnesota Statutes 1982, section 340.11, subdivision 11c.

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 16 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Ellingson	Kostohryz	Piepho	Sherman
Anderson, G.	Evans	Krueger	Piper	Simoneau
Anderson, R.	Findlay	Kvam	Price	Skoglund
Battaglia	Forsythe	Larsen	Quinn	Solberg
Beard	Graba	Levi	Quist	Sparby
Begich	Greenfield	Long	Redalen	Stadum
Bennett	Gruenes	Ludeman	Reif	Staten
Bergstrom	Gustafson	Mann	Rice	Swanson
Bishop	Gutknecht	Marsh	Riveness	Tomlinson
Blatz	Halberg	McEachern	Rodosovich	Tunheim
Brandl	Haukoos	McKasy	Rodriguez, C.	Valan
Brinkman	Heap	Metzen	Rodriguez, F.	Valento
Burger	Heinitz	Munger	Rose	Vanasek
Carlson, L.	Hoffman	Murphy	St. Onge	Welch
Clark, J.	Hokr	Nelson, D.	Sarna	Welle
Clark, K.	Jacobs	Neuenschwander	Scheid	Wenzel
Clawson	Jennings	Norton	Schoenfeld	Wigley
Coleman	Jensen	Ogren	Schreiber	Wynia
Dempsey	Johnson	Olsen	Seaberg	Speaker Sieben
Dimler	Kalis	Otis	Segal	
Eken	Knickerbocker	Pauly	Shaver	
Elioff	Knuth	Peterson	Shea	

Those who voted in the negative were:

Carlson, D.	Fjoslien	Nelson, K.	Thiede	Vellenga
Cohen	Frerichs	Onnen	Uphus	Waltman
DenOuden	Kelly	Osthoff		
Erickson	McDonald	Sviggum		

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

The Speaker called Wynia to the Chair.

CALENDAR

H. F. No. 91, A bill for an act relating to public utilities; providing for rights of stockholders and directors of cooperative electric associations; proposing new law coded in Minnesota Statutes, chapter 216B.

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 87 yeas and 36 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Dempsey	Knickerbocker	Otis	Shea
Anderson, G.	Eken	Knuth	Pauly	Sherman
Anderson, R.	Elioff	Kostohryz	Peterson	Simoneau
Battaglia	Ellingson	Krueger	Piepho	Skoglund
Beard	Evans	Levi	Piper	Solberg
Begich	Fjoslien	Long	Price	Staten
Bennett	Greenfield	Marsh	Reif	Swanson
Bergstrom	Gustafson	McKasy	Rice	Tomlinson
Bishop	Gutknecht	Metzen	Riveness	Tunheim
Blatz	Halberg	Munger	Rodosovich	Vanasek
Brandl	Heap	Murphy	Rodriguez, C.	Vellenga
Carlson, D.	Hoffman	Nelson, D.	Rodriguez, F.	Welch
Carlson, L.	Hokr	Nelson, K.	Rose	Welle
Clark, J.	Jacobs	Neuenschwander	Sarna	Wynia
Clark, K.	Jensen	Norton	Scheid	Speaker Sieben
Clawson	Johnson	O'Connor	Seaberg	
Cohen	Kahn	Ogren	Segal	
Coleman	Kelly	Osthoff	Shaver	

Those who voted in the negative were:

Burger	Gruenes	McDonald	Schoenfeld	Waltman
DenOuden	Heinitz	McEachern	Sparby	Welker
Dimler	Jennings	Omamm	Stadum	Wenzel
Erickson	Kalis	Onnen	Sviggum	Wigley
Findlay	Kvam	Quist	Thiede	
Forsythe	Larsen	Redalen	Uphus	
Frerichs	Ludeman	St. Onge	Valan	
Graba	Mann	Schafer	Valento	

The bill was passed and its title agreed to.

Carlson, D., was excused at 3:10 p.m. Ellingson was excused between the hours of 3:45 and 5:45 p.m. Swanson was excused at 4:00 p.m. Clawson was excused at 5:10 p.m.

GENERAL ORDERS

Pursuant to rules of the House, the House resolved itself into the Committee of the Whole with Wynia in the Chair for the consideration of bills pending on General Orders of the Day.

Sieben presided during a portion of the meeting of the Committee of the Whole. After some time spent therein the Committee arose.

REPORT OF THE COMMITTEE OF THE WHOLE

The Speaker resumed the Chair, whereupon the following proceedings of the Committee as kept by the Chief Clerk were reported to the House:

H. F. Nos. 521 and 904 which it recommended progress.

H. F. No. 270 which it recommended progress retaining its place on General Orders.

H. F. No. 89 which it recommended progress until Thursday, May 5, 1983.

H. F. No. 938 which it recommended to be advanced to the beginning of General Orders.

S. F. No. 238 which it recommended to pass with the following amendment offered by Munger:

Page 2, delete lines 24 to 36, and insert: "*(b) Unless the commissioner determines that a permit is necessary, no permit is required for a peat mining operation occupying a tract of 40 acres or less. However, at least 90 days before beginning any mining, a person intending to engage in or carry on a peat mining operation on a tract of land of 40 acres or less shall first notify the commissioner in writing, specifying the legal description of the tract to be mined and the mining methods to be used. The commissioner may require the person to obtain a permit before mining if the commissioner determines that there is potential for significant environmental effects which may result from the peat mining operation. Within 20 days after receipt of written notice of intent to mine such a 40 acre tract, the commissioner shall notify the person of his decision to require, or not to require, a*"

H. F. No. 474 which it recommended progress with the following amendments:

Offered by Greenfield:

Page 6, after line 25, insert:

"Sec. 5. [SEVERABILITY.]

If the United States federal emergency management agency determines that a provision of sections 1 to 6 is not in conformity

with federal laws, and if the agency indicates that it will disapprove the state's administrative plan because of the provision, that provision shall have no force or effect to the extent not in conformity. However, any remaining provisions which are in conformity with federal law shall remain effective."

Renumber the remaining sections

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

Offered by Knickerbocker:

Page 4, delete lines 15 to 24

Page 4, line 25, delete "4" and insert "3"

Page 5, delete lines 11 to 32

Page 5, line 33, delete "6" and insert "4"

Page 6, line 19, delete the language that follows the period

Page 6, delete lines 20 to 25

Page 6, line 26, delete "7" and insert "6"

Amend the title as follows:

Page 1, lines 2 and 3, delete "prohibiting expenditures for certain civil defense purposes;"

Page 1, line 6, delete "subdivisions" and insert "subdivision" delete "and 3"

On the motion of Eken the report of the Committee of the Whole was adopted.

ROLL CALLS IN COMMITTEE OF THE WHOLE

Pursuant to rule 1.6, the following roll calls were taken in the Committee of the Whole:

Knickerbocker moved to amend H. F. No. 474, the first engrossment, as amended, as follows:

Page 4, delete lines 15 to 24

Page 4, line 25, delete "4" and insert "3"

Page 5, delete lines 11 to 32

Page 5, line 33, delete "6" and insert "4"

Page 6, line 19, delete the language that follows the period

Page 6, delete lines 20 to 25

Page 6, line 26, delete "7" and insert "6"

Amend the title as follows:

Page 1, lines 2 and 3, delete "prohibiting expenditures for certain civil defense purposes;"

Page 1, line 6, delete "subdivisions" and insert "subdivision" delete "and 3"

The question was taken on the amendment and the roll was called. There were 67 yeas and 51 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Evans	Jensen	Piepho	Sviggum
Battaglia	Findlay	Johnson	Quist	Thiede
Begich	Fjoslien	Knickerbocker	Redalen	Tunheim
Bennett	Forsythe	Kvam	Reif	Uphus
Bishop	Frerichs	Levi	Rose	Valan
Blatz	Gruenes	Ludeman	Schafer	Valento
Brandl	Gutknecht	Marsh	Schoenfeld	Waltman
Brinkman	Halberg	McDonald	Schreiber	Welker
Burger	Haukoos	McKasy	Seaberg	Wenzel
Dempsey	Heap	Murphy	Segal	Wigley
DenOuden	Heinitz	Olsen	Shaver	Zaffke
Dimler	Himle	Omann	Sherman	
Elioff	Hokr	Onnen	Sparby	
Erickson	Jennings	Pauly	Stadum	

Those who voted in the negative were:

Anderson, B.	Graba	Munger	Rice	Tomlinson
Anderson, G.	Greenfield	Nelson, D.	Riveness	Vanasek
Bear	Hoffman	Nelson, K.	Rodosovich	Vellenga
Bergstrom	Jacobs	Norton	Rodriguez, F.	Welch
Carlson, L.	Kahn	O'Connor	St. Onge	Welle
Clark, J.	Kelly	Ogren	Scheid	Wynia
Clark, K.	Kostohryz	Osthoff	Shea	Speaker Sieben
Clawson	Krueger	Otis	Simoneau	
Cohen	Larsen	Peterson	Skoglund	
Coleman	Long	Piper	Solberg	
Eken	Mann	Price	Staten	

The motion prevailed and the amendment was adopted.

The question was taken on the motion to recommend passage of H. F. No. 474, as amended, and the roll was called. There were 49 yeas and 67 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Graba	Munger	Riveness	Solberg
Anderson, G.	Greenfield	Nelson, D.	Rodosovich	Staten
Beard	Gustafson	Nelson, K.	Rodriguez, F.	Tomlinson
Carlson, L.	Hoffman	Neuenschwander	St. Onge	Vanasek
Clark, J.	Kahn	Norton	Scheid	Vellenga
Clark, K.	Kelly	Ogren	Seaberg	Welch
Clawson	Kostohryz	Otis	Shaver	Welle
Cohen	Larsen	Peterson	Shea	Wynia
Coleman	Long	Piper	Simoneau	Speaker Sieben
Eken	Mann	Rice	Skoglund	

Those who voted in the negative were:

Battaglia	Findlay	Johnson	Osthoff	Sviggum
Begich	Fjoslien	Knickerbocker	Pauly	Thiede
Bennett	Forsythe	Knuth	Piepho	Tunheim
Bishop	Frerichs	Krueger	Price	Uphus
Blatz	Gruenes	Kvam	Quist	Valan
Brandl	Gutknecht	Levi	Redalen	Valento
Brinkman	Halberg	Ludeman	Reif	Waltman
Burger	Haukoos	Marsh	Rose	Welker
Dempsey	Heap	McDonald	Schafer	Wenzel
DenOuden	Heinitz	McEachern	Schoenfeld	Wigley
Dimler	Himle	McKasy	Schreiber	Zaffke
Elioff	Hokr	Metzen	Sherman	
Erickson	Jennings	Murphy	Sparby	
Evans	Jensen	Olsen	Stadum	

The motion did not prevail.

Anderson, G., moved that H. F. No. 938, number 87 on General Orders for today, be placed at the beginning of General Orders for today and be given immediate consideration.

A roll call was requested and properly seconded.

POINT OF ORDER

Norton raised a point of order pursuant to rule 1.12. Chairperson Wynia deferred her decision pursuant to Section 244 of "Mason's Manual of Legislative Procedure."

POINT OF ORDER

Anderson, B., raised a point of order pursuant to Section 524 of "Mason's Manual of Legislative Procedure." Chairperson Wynia ruled the point of order not well taken.

Anderson, B., appealed the decision of the Chair.

A roll call was requested and properly seconded.

The vote was taken on the question "Shall the decision of Chairperson Wynia stand as the judgment of the House?" and the roll was called. There were 55 yeas and 70 nays as follows:

Those who voted in the affirmative were:

Battaglia	Eken	Long	Otis	Simoneau
Beard	Elioff	Mann	Piper	Skoglund
Begich	Greenfield	Metzen	Price	Solberg
Bergstrom	Gustafson	Munger	Quinn	Staten
Brandl	Hoffman	Murphy	Rice	Tomlinson
Carlson, L.	Jacobs	Nelson, D.	Riveness	Vanasek
Clark, J.	Kahn	Nelson, K.	Rodriguez, C.	Vallenga
Clark, K.	Kelly	Norton	Rodriguez, F.	Welch
Clawson	Knuth	O'Connor	St. Onge	Wenzel
Cohen	Kostohryz	Ogren	Sarna	Wynia
Coleman	Larsen	Osthoff	Scheid	Speaker Sieben

Those who voted in the negative were:

Anderson, B.	Fjoslien	Johnson	Peterson	Sherman
Anderson, G.	Forsythe	Kalis	Piepho	Sparby
Anderson, R.	Frerichs	Knickerbocker	Quist	Stadum
Bennett	Graba	Krueger	Redalen	Swigum
Bishop	Gruenes	Kvam	Reif	Thiede
Blatz	Cutknecht	Levi	Rodosovich	Tunheim
Brinkman	Halberg	Ludeman	Rose	Uphus
Burger	Haukoos	Marsh	Schafer	Valan
Dempsey	Heap	McDonald	Schoenfeld	Valento
DenOuden	Heinitz	McKasy	Schreiber	Waltman
Dimler	Himle	Olsen	Seaberg	Welker
Erickson	Hokr	Omann	Segal	Welle
Evans	Jennings	Onnen	Shaver	Wigley
Findlay	Jensen	Pauly	Shea	Zaffke

So it was the judgment of the House that the decision of Chairperson Wynia should not stand.

The question recurred on the Norton point of order and Chairperson Wynia ruled the point of order not well taken.

The question recurred on the Anderson, G., motion that H. F. No. 938 be placed at the beginning of General Orders for today and be given immediate consideration. The roll was called and there were 74 yeas and 51 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Erickson	Heap	Levi	Peterson
Anderson, G.	Evans	Heinitz	Ludeman	Piepho
Anderson, R.	Findlay	Himle	Mann	Quist
Bennett	Fjoslien	Hokr	Marsh	Redalen
Bishop	Forsythe	Jennings	McDonald	Reif
Blatz	Frerichs	Jensen	McKasy	Rodosovich
Brinkman	Graba	Johnson	Neuenschwander	Rodriguez, C.
Burger	Gruenes	Kalis	Olsen	Rose
Dempsey	Cutknecht	Knickerbocker	Omann	Schafer
DenOuden	Halberg	Krueger	Onnen	Schoenfeld
Dimler	Haukoos	Kvam	Pauly	Schreiber

Seaberg	Sparby	Tunheim	Vanasek	Welle
Shaver	Stadum	Uphus	Vellenga	Wigley
Shea	Sviggum	Vaian	Waltman	Zaffke
Sherman	Thiede	Valento	Welker	

Those who voted in the negative were:

Battaglia	Eken	Long	Piper	Solberg
Beard	Elioff	Metzen	Price	Staten
Begich	Greenfield	Munger	Quina	Tomlinson
Bergstrom	Gustafson	Murphy	Rice	Welch
Brandl	Hoffman	Nelson, D.	Riveness	Wenzel
Carlson, L.	Jacobs	Nelson, K.	Rodriguez, F.	Wynia
Clark, J.	Kahn	Norton	St. Onge	Spcker Sieben
Clark, K.	Kelly	O'Connor	Sarna	
Clawson	Knuth	Ogren	Scheid	
Cohen	Kostohryz	Osthoff	Simoneau	
Coleman	Larsen	Otis	Skoglund	

The motion prevailed and H. F. No. 938 was reported to the Committee.

Sieben assumed the Chair.

Shea; Anderson, B.; Stadum; Heinitz; Anderson, G., and Schoenfeld offered an amendment to H. F. No. 938.

The question was taken on the Eken motion that the Committee do now arise and the roll was called. There were 64 yeas and 63 nays as follows:

Those who voted in the affirmative were:

Battaglia	Greenfield	Mann	Peterson	Skoglund
Beard	Gustafson	McEachern	Piper	Solberg
Begich	Hoffman	Metzen	Price	Sparby
Bergstrom	Jacobs	Munger	Quina	Staten
Berkelman	Jensen	Murphy	Rice	Tomlinson
Brandl	Kahn	Nelson, D.	Riveness	Tunheim
Carlson, L.	Kalis	Nelson, K.	Rodriguez, C.	Vanasek
Clark, J.	Kelly	Neuenschwander	Rodriguez, F.	Vellenga
Clark, K.	Knuth	Norton	St. Onge	Welch
Coleman	Kostohryz	O'Connor	Sarna	Wenzel
Eken	Krueger	Ogren	Scheid	Wynia
Elioff	Larsen	Osthoff	Segal	Spcker Sieben
Ellingson	Long	Otis	Simoneau	

Those who voted in the negative were:

Anderson, B.	Dimler	Haukoos	Marsh	Rodosovich
Anderson, G.	Erickson	Heap	McDonald	Rose
Anderson, R.	Evans	Heinitz	McKasy	Schafer
Bennett	Findlay	Himle	Olsen	Schoenfeld
Bishop	Fjoslien	Hokr	Omann	Schreiber
Blatz	Forsythe	Jennings	Onnen	Seaberg
Brinkman	Frerichs	Johnson	Pauly	Shaver
Burger	Graba	Knickerbocker	Piepho	Sherman
Cohen	Gruenes	Kvani	Quist	Stadum
Dempsey	Gutknecht	Levi	Redalen	Sviggum
DenOuden	Halberg	Ludeman	Reif	Thiede

Uphus
Valan

Valento
Waltman

Welker
Welle

Wigley

Zaffke

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. 381:

Otis, Tomlinson and Dempsey.

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 870:

Rodosovich, Clawson and Sviggum.

MOTIONS AND RESOLUTIONS

Elioff moved that the names of Clark, J., and Vanasek be added as authors on H. F. No. 439. The motion prevailed.

Fjoslien moved that his name be stricken as an author on H. F. No. 571. The motion prevailed.

Greenfield moved that the name of Blatz be added as an author on H. F. No. 723. The motion prevailed.

Heinitz moved that the name of Anderson, G., be added as chief author on H. F. No. 938. The motion prevailed.

Vanasek moved that the name of Bennett be added as an author on H. F. No. 1103. The motion prevailed.

Brinkman moved that his name be stricken as an author on H. F. No. 1218. The motion prevailed.

Price moved that the names of Levi and Rodriguez, F., be added as authors on H. F. No. 1248. The motion prevailed.

McDonald moved that H. F. No. 1211 be recalled from the Committee on Governmental Operations and be re-referred to the Committee on Rules and Legislative Administration. The motion prevailed.

Greenfield moved that the name of Clark, K., be added as an author on H. F. No. 1242. The motion prevailed.

Gustafson moved that H. F. No. 1189 be returned to its author. The motion prevailed.

SUSPENSION OF RULES

Sparby moved that the rules be so far suspended that S. F. No. 402 be recalled from the Committee on Environment and Natural Resources, be given its second and third readings and be placed upon its final passage. The motion prevailed.

Pursuant to Article IV, Section 19, of the Constitution of the state of Minnesota, Sparby moved that the rule therein be suspended and an urgency be declared so that S. F. No. 402 be given its second and third readings and be placed upon its final passage. The motion prevailed.

S. F. No. 402 was read for the second time.

S. F. No. 402, A bill for an act relating to state government; implementing an executive order transferring the state soil and water conservation board from the department of natural resources to the department of agriculture; amending Minnesota Statutes 1982, section 40.03.

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 115 yeas and 3 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Findlay	Kostohryz	Pauly	Shea
Anderson, G.	Fjoslien	Krueger	Peterson	Sherman
Battaglia	Forsythe	Kvam	Piepho	Solberg
Beard	Frerichs	Larsen	Piper	Sparby
Bennett	Graba	Levi	Price	Staten
Bergstrom	Greenfield	Long	Quinn	Swiggum
Berkelman	Gruenes	Ludeman	Quist	Thiede
Blatz	Gustafson	Mann	Redalen	Tomlinson
Brandl	Gutknecht	Marsh	Reif	Tunheim
Brinkman	Haukoos	McDonald	Rice	Uphus
Burger	Heap	McKasy	Riveness	Valan
Carlson, L.	Heinritz	Metzen	Rodosovich	Valento
Clark, J.	Himle	Murphy	Rodriguez, C.	Vanasek
Clark, K.	Hoffman	Nelson, D.	Rodriguez, F.	Vellenga
Cohen	Jacobs	Nelson, K.	Rose	Waltman
Coleman	Jennings	Neuenschwander	St. Onge	Welch
Dempsey	Jensen	Norton	Sarna	Welker
DenOuden	Johnson	O'Connor	Schafer	Welle
Dimler	Kahn	Olsen	Scheid	Wenzel
Eken	Kalis	Omann	Schoenfeld	Wigley
Elioff	Kelly	Onnen	Seaberg	Wynia
Erickson	Knickerbocker	Osthoff	Segal	Zaffke
Evans	Knuth	Oris	Shaver	Speaker Sieben

Those who voted in the negative were:

Munger

Ogren

Skoglund

The bill was passed and its title agreed to.

ADJOURNMENT

Eken moved that when the House adjourns today it adjourn until 2:00 p.m., Monday, April 25, 1983. The motion prevailed.

Eken moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 2:00 p.m., Monday, April 25, 1983.

EDWARD A. BURDICK, Chief Clerk, House of Representatives

STATE OF MINNESOTA

SEVENTY-THIRD SESSION - 1983

THIRTY-NINTH DAY

SAINT PAUL, MINNESOTA, MONDAY, APRIL 25, 1983

The House of Representatives convened at 2:00 p.m. and was called to order by Harry A. Sieben, Jr., Speaker of the House.

Prayer was offered by Pastor Delton Krueger, Portland Avenue United Methodist, Bloomington, Minnesota.

The roll was called and the following members were present:

Anderson, B.	Erickson	Kostohryz	Pauly	Solberg
Anderson, G.	Evans	Krueger	Peterson	Sparby
Anderson, R.	Findlay	Kvam	Piepho	Stadum
Battaglia	Fjoslien	Larsen	Piper	Staten
Beard	Forsythe	Levi	Price	Sviggum
Begich	Frerichs	Long	Quinn	Swanson
Bennett	Graba	Ludeman	Quist	Thiede
Bergstrom	Greenfield	Mann	Redalen	Tomlinson
Berkelman	Crucnes	Marsh	Reif	Tunheim
Bishop	Gustafson	McDonald	Rice	Uphus
Blatz	Gutknecht	McEachern	Riveness	Valan
Brandl	Ralberg	McKasy	Rodosovich	Valento
Brinkman	Hankoo	Metzen	Rodriguez, C.	Vanasek
Burger	Heap	Minne	Rodriguez, F.	Vellenga
Carlson, D.	Heinitz	Munger	Rose	Voss
Carlson, L.	Himle	Murphy	Sarna	Waltman
Clark, J.	Hoffman	Nelson, D.	Schafer	Welch
Clark, K.	Hokr	Nelson, K.	Scheid	Welker
Clawson	Jacobs	Neuenschwander	Schoenfeld	Welle
Cohen	Jennings	Norton	Schreiber	Wenzel
Coleman	Jensen	O'Connor	Seaberg	Wigley
Dempsey	Johnson	Ogren	Segal	Wynia
DenOuden	Kaha	Olsen	Shaver	Zaffke
Dimler	Kalis	Omann	Shea	Speaker Sieben
Eken	Kelly	Onnen	Sherman	
Elioff	Knickerbocker	Osthoff	Simoneau	
Ellingson	Knuth	Otis	Skoglund	

A quorum was present.

Hoberg and St. Onge were excused.

The Chief Clerk proceeded to read the Journal of the preceding day. Clawson 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. 570, 253, 831, 957, 1021, 474, 1006 and 92 and S. F. Nos. 391, 420, 464, 506, 771, 238 and 639 have been placed in the members' files.

S. F. No. 292 and H. F. No. 315, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Ellingson moved that the rules be so far suspended that S. F. No. 292 be substituted for H. F. No. 315 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

April 19, 1983

The Honorable Harry A. Sieben, Jr.
Speaker of the House
276 State Office Building
St. Paul, Minnesota 55155

Dear Speaker Sieben:

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

H. F. No. 68, relating to local government; setting the dollar amount of contracts subject to the open bidding law; amending Minnesota Statutes 1982, section 471.345, subdivisions 3, 4, and 5.

H. F. No. 268, relating to financial institutions; credit unions; removing the restrictions on the amounts that credit unions may invest in the corporate credit union; removing the borrowing restrictions of the corporate credit union; changing references to the central credit union to reflect its name change;

amending Minnesota Statutes 1982, sections 52.04, subdivision 1; 52.09, subdivision 2; 52.15, subdivisions 1 and 2; and 52.17, subdivision 2.

H. F. No. 316, relating to insurance; accident and health; extending the period of time during which group coverage is in force for terminated employees who elect this coverage; amending Minnesota Statutes 1982, section 62A.17, subdivisions 2 and 5.

H. F. No. 364, relating to state lands; conveying certain state lands to the city of St. Cloud.

Sincerely,

RUDY PERPICH
Governor

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

April 19, 1983

The Honorable Harry A. Sieben, Jr.
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 1983 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>Date Approved 1983</i>	<i>Date Filed 1983</i>
73		37	April 19	April 19
81		38	April 19	April 19
351		39	April 19	April 19
552		40	April 19	April 19
589		41	April 19	April 19
	68	42	April 19	April 19
	268	43	April 19	April 19

<i>S.F. No.</i>	<i>H.F. No.</i>	<i>Session Laws Chapter No.</i>	<i>Date Approved 1983</i>	<i>Date Filed 1983</i>
	316	44	April 19	April 19
	364	45	April 19	April 19

Sincerely,

JOAN ANDERSON GROWE
Secretary of State

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

April 20, 1983

The Honorable Harry A. Sieben, Jr.
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 1983 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>Date Approved 1983</i>	<i>Date Filed 1983</i>
96		46	April 20	April 20

Sincerely,

JOAN ANDERSON GROWE
Secretary of State

STATE OF MINNESOTA
OFFICE OF THE GOVERNOR
SAINT PAUL 55155

April 21, 1983

The Honorable Harry A. Sieben, Jr.
Speaker of the House
276 State Office Building
St. Paul, Minnesota 55155

Dear Speaker Sieben:

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

H. F. No. 25, relating to the city of Lake Park; authorizing the issuance of general obligation bonds to finance construction of municipal facilities.

H. F. No. 624, relating to retirement; highway patrol; restating the definition of average monthly salary; amending Minnesota Statutes 1982, section 352B.08, subdivision 2.

H. F. No. 633, relating to commerce; uniform commercial code; extending the time period for the perfection of or priority over certain security interests; amending Minnesota Statutes 1982, sections 336.9-301; 336.9-302; 336.9-306; and 336.9-312.

Sincerely,

RUDY PERPICH
Governor

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

April 21, 1983

The Honorable Harry A. Sieben, Jr.
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 1983 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.	Date Approved 1983	Date Filed 1983
101		47	April 21	April 21
	25	48	April 21	April 21
	624	49	April 21	April 21
	633	50	April 21	April 21

Sincerely,

JOAN ANDERSON GROWE
Secretary of State

REPORTS OF STANDING COMMITTEES

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

H. F. No. 111, A bill for an act relating to labor; making collective bargaining agreements binding and enforceable when ownership is transferred or sold; defining transferee employer; creating certain exclusions; requiring the disclosure of collective bargaining agreements; providing for enforcement procedures; proposing new law coded in Minnesota Statutes, chapter 179.

Reported the same back with the following amendments:

Page 2, line 21, after the comma, insert "*including business goodwill or other intangible assets,*"

Page 2, delete lines 28 to 34

Renumber the subdivisions

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 124, A bill for an act relating to employment; providing assistance to employees who lose their jobs, affected communities and businesses which may suffer due to business closings, plant relocations, and reductions in operations; requiring advance notification to affected employees, employee organizations, municipalities, and the state, of business closings, plant relocations, and reductions of operations; prescribing duties of certain departments, governmental bodies, and officers with respect to business closings, plant relocations, and reductions of operations; creating the Minnesota community, business, and job preservation board; providing penalties; appropriating money; proposing new law coded as Minnesota Statutes, chapter 268A.

Reported the same back with the following amendments:

Page 3, line 3, delete "*other than*"

Page 3, delete lines 4 and 5

Page 3, line 6, delete everything before the period

Page 3, line 8, delete "8" and insert "9"

Page 3, line 13, delete "*more than 50 percent of,*"

Page 3, line 13, delete "*a facility within*" and insert "*, either directly or through a related corporation, two facilities, one of which is in*"

Page 3, line 14, delete everything after "*state*"

Page 3, delete line 15

Page 3, line 16, delete everything before the period and after the period insert "*Such ownership or operation of the facility that is the affected establishment under this act must be for five or more years, unless a substantial purpose of the acquisition of ownership or operation was to avoid the effect of this act. For the purposes of this subdivision, ownership of a facility means having effective control of that facility. Effective control is presumed if a person, partnership, corporation, or other legal entity owns more than 20 percent of a facility and there is no larger shareholder in that facility. Effective control is conclusively presumed if a person, partnership, corporation, or other legal entity owns 50 percent or more of a facility.*"

Page 3, line 28, delete "*more than 50 percent of*"

Page 3, line 29, after the comma insert "*is owned by an employer who operates an affected establishment*"

Page 3, line 29, delete "*more*"

Page 3, line 30, delete "*than 50 percent*"

Page 3, line 30, delete "*more than*"

Page 3, line 31, delete "*50 percent of*"

Page 3, line 32, after the period insert "*For the purposes of this subdivision, ownership of an employer or corporation means having effective control of that employer or corporation. Effective control is presumed if an employer or corporation owns more than 20 percent of the employer or corporation in question and there is no larger shareholder in that employer or corporation. Effective control is conclusively presumed if an employer or corporation owns 50 percent or more of the employer or corporation in question.*"

Page 4, line 2, delete "*two year*" and insert "*two-year*"

Page 4, delete lines 10 to 16

Page 4, line 26, after "development" insert "or their delegates"

Page 5, line 29, after "security" insert "or the commissioner's delegate"

Page 6, line 29, after the period insert "The board may delegate its powers and duties to its staff or executive director as it sees fit."

Page 6, line 31, delete "6" and insert "7"

Page 7, after line 1, insert:

"Subd. 4. [POWERS.] For the purpose of composing economic impact statements under section 6, subdivision 2, or for investigating complaints under section 9 or 10, or to fulfill any of the board's other duties under this act, the board may administer oaths and affirmations, subpoena witnesses, compel their attendance, take evidence, and require the production of records or other documents which the board considers relevant or material to the inquiry. The attorney general shall enforce the board's subpoenas in court."

Page 7, line 2, delete "4" and insert "5"

Page 7, line 10, delete "4" and insert "6"

Page 7, line 15, delete "5" and insert "6"

Page 7, line 21, delete "6" and insert "7"

Page 7, line 29, delete "7" and insert "8"

Page 7, line 31, delete "8" and insert "9"

Page 7, line 33, delete "8" and insert "9"

Page 8, line 18, delete "9 and 10" and insert "10 and 11"

Page 8, line 19, delete "9" and insert "10"

Page 8, line 34, delete "employee owned" and insert "employee-owned"

Page 8, line 24, delete "10" and insert "11"

Page 9, line 12, delete "11" and insert "12"

Page 9, line 15, delete "12" and insert "13"

Page 11, delete lines 14 to 19 and insert:

"Subd. 3. [BOARD INVESTIGATION.] Upon receipt of an employee complaint the board shall undertake an investigation of the alleged violation.

Subd. 4. [ORDER.] The board shall issue an order within 60 days after the complaint is filed. The order shall include a determination of the merits of the complaint and shall cite the specific violation, if any, severance pay due, if any, and specific penalties assessed. An order shall be sent to each party by registered mail.

Subd. 5. [REVIEW OF ORDER.] The employer operating the affected establishment, the employee who filed the complaint, or the board may file for a review of the board's order within 14 calendar days after the order is issued. If a request for a review is not filed within 14 calendar days, the order is final."

Page 11, line 20, delete "4" and insert "6"

Page 11, after line 23, insert:

"Subd. 7. [STANDING TO ENFORCE ORDERS.] Once an order of the board becomes final, the board, the aggrieved employees, and any association or union representing the aggrieved employees shall all have standing to enforce the order in court. In any such action the attorney general shall act as counsel for the board."

Page 12, line 4, delete everything after the period

Page 12, delete lines 5 and 6

Page 12, line 15, delete "." and insert a semicolon

Page 12, line 16, delete "Subdivision 1. ["

Page 12, line 18, delete the second comma

Page 12, line 19, delete everything before the second "a"

Page 12, delete lines 22 to 29 and insert:

"Sec. 12. [268A.12] [REMEDIES NOT EXCLUSIVE.]

The remedies provided in this act are not exclusive. An employee who believes that his or her employer has violated this act's notice requirements, severance pay requirements, or nondiscrimination requirements may sue to redress his or her grievance without initial recourse to the board's complaint procedure. Any union or employee association representing the employee may also directly sue to enforce the employee's rights under this act."

Page 12, line 30, delete "[268A.12]" and insert "[268A.13]"

Page 12, line 35, delete "[268A.13]" and insert "[268A.14]"

Page 12, line 36, delete "12" and insert "13"

Page 13, line 4, delete "12" and insert "13"

Renumber the remaining sections

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

The report was adopted.

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

H. F. No. 245, A bill for an act relating to the city of Duluth; authorizing group workers' compensation self insurance pools which include the city of Duluth and private employers.

Reported the same back with the following amendments:

Page 2, line 30, after "section." insert:

"As a condition of its authority to self insure workers' compensation liability, the pool shall be a member of the Minnesota workers' compensation reinsurance association."

With the recommendation that when so amended the bill pass.

The report was adopted.

Voss from the Committee on Energy to which was referred:

H. F. No. 288, A bill for an act relating to energy; establishing a residential rental property weatherization disclosure program; requiring the filing of a certificate of compliance with minimum energy efficiency standards for renter-occupied residences; providing for the abatement of certain court actions; allowing a penalty in certain cases; amending Minnesota Statutes 1982, section 116J.27, by adding subdivisions.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1982, section 116J.27, subdivision 3, is amended to read:

Subd. 3. [ENERGY CONSERVATION FOR RENTAL PROPERTY.] Effective January 1, 1980, all residences constructed prior to January 1, 1976, which are renter-occupied during all or a portion of the months of November through April shall be in compliance with standards pursuant to subdivision 1 pertaining to caulking and weatherstripping of exterior joints and sealing of other openings in the building envelope, and effective July 1, 1983, all such residences shall be in compliance with standards pursuant to subdivision 1 pertaining to installation of storm windows, storm doors, and positive shut-offs for fireplaces and fireplace stoves. Effective July 1, (1983) 1984, all residences which are renter-occupied during all or a portion of the months of November through April shall be in compliance with all applicable energy efficiency standards.

Sec. 2. Minnesota Statutes 1982, section 116J.27, is amended by adding a subdivision to read:

Subd. 3a. [RESIDENTIAL RENTAL PROPERTY WEATHERIZATION DISCLOSURE PROGRAM.] On or before January 1, 1985, and every tenth January 1 thereafter, the owner of a renter-occupied residence shall file with the commissioner a certificate of compliance with all applicable energy efficiency standards prescribed by subdivisions 1 and 3. The certificate shall be obtained from a building evaluator following an inspection of the residence conducted after July 1, 1984, and recorded on a form provided by the commissioner. A building evaluator certified according to the standards prescribed in subdivision 6, or pursuant to section 116J.31, is qualified to inspect the residence and to issue the certificate required by this subdivision. The building evaluator may charge a reasonable fee for inspecting the residence. After inspection, if the building evaluator determines that the energy efficiency standards prescribed in subdivisions 1 and 3 have been met, he or she shall issue and sign a certificate of compliance.

The certificate for low-rent housing projects owned by a public housing authority or a housing and redevelopment authority as defined in section 462.421, subdivision 2, may be provided by an officer, employee, or agent of the authority after completion of an energy audit of the building as required by the United States department of housing and urban development pursuant to Code of Federal Regulations, title 24, sections 865.301 to 865.310 and completion of any improvements as necessary to bring the building into compliance with the requirements of section 116J.27, subdivision 3. If the certificate is issued prior to July 1, 1984, the building shall be in compliance with the adopted standards which are to become effective July 1, 1984. The energy audit of low-rent housing projects owned by a public housing authority or a housing and redevelopment authority may be conducted before or after July 1, 1984.

No building evaluator may make energy efficiency improvements or profit directly or indirectly from the provision of energy efficiency improvements to a building that he or she has inspected.

The commissioner shall adopt a form for the certificate, and the form shall include at least the following information: (a) name, address, and social security or Minnesota tax identification number of the owner of the residence; (b) street address of the residence; (c) date of the inspection by the building evaluator; (d) name of the building evaluator who performed the inspection; (e) date the certificate is signed by the building evaluator; and (f) a statement that a copy of the certificate should be filed with the commissioner. The commissioner shall maintain a file by city street address, if applicable, of the certificates filed pursuant to this subdivision. The certificates shall be released to the public according to section 13.03. If a certificate is not on file for a particular residence, upon request of any person, the commissioner shall provide free of charge a written statement to the effect that a certificate is not on file as of the date of the execution of the statement, and that statement shall constitute prima facie proof in any court action of the facts stated therein. The commissioner may charge a fee to owners, other than public housing authorities and housing and redevelopment authorities, who file certificates under this subdivision in an amount sufficient to defray the costs of recording the certificates.

Sec. 3. Minnesota Statutes 1982, section 116J.27, is amended by adding a subdivision to read:

Subd. 4a. [ABATEMENT OF CERTAIN ACTIONS.] In a civil action to recover possession of property subject to subdivision 3 on the basis of nonpayment of rent, a defendant may plead a failure to file the certificate required by subdivision 3a in order to abate the action, if the action was commenced before the certificate was filed, and if the defendant notified the owner in writing prior to the commencement of the action that the rent was not being paid because the property was not in compliance with applicable energy efficiency standards prescribed by subdivisions 1 and 3. All proceedings in the action shall be stayed until the certificate is filed pursuant to subdivision 3a; and the defendant, whether or not he or she prevails in the action, may tax \$50 costs, in addition to other costs allowed by law. The court may condition the stay upon payment into court of the rent as it becomes due, and the defendant may elect to tax the \$50 costs allowed by this subdivision by reducing the rent to be paid into court by \$50. Upon written application supported by an affidavit and filed with the court, the court may disburse to the owner from the rent paid into court amounts the court determines necessary to permit the payment of documented sums expended or to be expended to comply with the energy efficiency standards prescribed in subdivisions 1 and 3. Upon the filing and presentation to the court of an affidavit setting forth a specific plan for

timely compliance with the requirements of subdivisions 3 and 3a, the court may, upon written application supported by an affidavit and filed with the court, disburse to the owner from rent paid into court an amount the court determines necessary to permit the timely payment of expenses directly affecting the property. Further disbursements for the payment of expenses directly affecting the property shall be subject to a showing of satisfactory progress toward implementation of the plan.

Sec. 4. Minnesota Statutes 1982, section 116J.27, is amended by adding a subdivision to read:

Subd. 4b. [CIVIL DAMAGES IN CERTAIN ACTIONS.] A tenant who occupies or occupied, after July 1, 1985, a property subject to subdivision 3 and who makes a claim in a civil action against the owner before the certificate prescribed by subdivision 3a is filed, shall be entitled to recover \$500 from the owner, provided that if the owner demonstrates good cause for not filing the certificate, the recovery may be in an amount less than \$500. For purposes of this subdivision, the term "owner" has the meaning given in section 566.18, subdivision 3.

Sec. 5. Minnesota Statutes 1982, section 116J.30, is amended by adding a subdivision to read:

Subd. 4. For purposes of sections 504.18 and 566.18 to 566.33, the weatherstripping, caulking, storm window, and storm door energy efficiency standards for renter-occupied residences prescribed by section 116J.27, subdivisions 1 and 3, shall be considered to be health and safety standards, and the penalties and remedies provided in this section are in addition to and do not limit remedies otherwise available to tenants of renter-occupied residences.

Sec. 6. [EXCEPTION TO APPLICATION.]

Sections 1 to 5 of this act do not apply to one single family residence located on farm property consisting of 50 or more acres.

Sec. 7. [APPROPRIATION.]

There is appropriated from the general fund to the commissioner of energy the sum of \$220,000 for the purpose of administering section 2.

Sec. 8. [EFFECTIVE DATE.]

Sections 1, 2, 5, and 6 are effective the day following final enactment. Section 3 is effective January 1, 1985. Section 4 is effective July 1, 1985. Section 7 is effective November 1, 1983."

Delete the title and insert:

"A bill for an act relating to energy; establishing a residential rental property weatherization disclosure program; requiring the filing of a certificate of compliance with minimum energy efficiency standards for renter-occupied residences; providing tenant enforcement of the standards; providing for the abatement of certain court actions; allowing a penalty in certain cases; appropriating money; amending Minnesota Statutes 1982, sections 116J.27, subdivision 3, and by adding subdivisions; and 116J.30, by adding a subdivision."

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

The report was adopted.

Vanasek from the Committee on Judiciary to which was referred:

H. F. No. 594, A bill for an act relating to corrections; providing for the supervision and control of parolees and persons on supervised release by the commissioner of corrections; transferring functions and powers of the corrections board to the commissioner of corrections; amending Minnesota Statutes 1982, sections 241.26, subdivisions 1, 3, and 4; 243.05; 244.05; 244.06; 244.065; repealing Minnesota Statutes 1982, sections 241.045; 243.07; 243.09; 243.10; 243.12; and 243.14.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1982, section 241.26, subdivision 1, is amended to read:

Subdivision 1. [(BOARD) COMMISSIONER.] When consistent with the public interest and the public safety, the (BOARD MAY, WITH THE RECOMMENDATION OF THE) commissioner (,) of corrections may conditionally release an inmate who is eligible and being considered for parole under section 243.05, to work at paid employment, seek employment, or participate in a vocational training or educational program. Release under this subdivision constitutes an extension of the limits of confinement and each inmate so released shall be confined in the institution from which released or in some other suitable place of confinement designated by the commissioner of corrections during the hours he is not employed, seeking employment, or engaged in a vocational training or educational program, or, if employed, seeking employment, or engaged in a vocational training or educational program, between the hours of such activity. A reasonable allowance for travel time and meals shall be permitted.

Sec. 2. Minnesota Statutes 1982, section 241.26, subdivision 3, is amended to read:

Subd. 3. [RULES.] The commissioner of corrections shall (, UPON CONSULTATION WITH THE CORRECTIONS BOARD,) establish rules for (THE) placement and supervision of such inmates and for (THE) administration of (THE) programs authorized by this section. When consistent with the public interest the (CORRECTIONS BOARD) *commissioner* may grant furloughs (NOT TO EXCEED 10 DAYS DURATION) to those (PERSONS SUBJECT TO THEIR CONTROL WHO PARTICIPATE IN SUCH CONDITIONAL RELEASE PROGRAMS) *inmates participating in the programs authorized by this section who have spent at least 30 days in a residential work release center operated by or under the control of the commissioner for a period of time not to exceed their supervised release date.*

Sec. 3. Minnesota Statutes 1982, section 241.26, subdivision 4, is amended to read:

Subd. 4. [REVOCATION.] The willful failure of an inmate to report to or return from planned employment, (THE) seeking (OF) employment, educational or vocational training, or furlough as provided in subdivision 3 shall be considered an escape under section 609.485. If an inmate violates any of the rules (AS) provided for in subdivision 3, his work placement, educational, or vocational training privileges may be withdrawn by the (BOARD GRANTING SUCH CONDITIONAL RELEASE) *commissioner.*

Sec. 4. Minnesota Statutes 1982, section 243.05, is amended to read:

243.05 [(BOARD) COMMISSIONER OF CORRECTIONS; POWERS, LIMITATIONS.]

Subdivision 1. [CONDITIONAL RELEASE.] The (CORRECTIONS BOARD) *commissioner of corrections* may parole any person sentenced to confinement in any state correctional facility for adults under the control of the commissioner of corrections, provided that:

(a) no inmate serving a life sentence for murder other than murder committed in violation of clause (1) of section 609.185 who has not been previously convicted of a felony shall be paroled until he has served 20 years, less the diminution which he would have been allowed for good conduct had his sentence been for 20 years;

(b) no inmate serving a life sentence for murder who has been previously convicted of a felony or though not previously

convicted of a felony is serving a life sentence for murder in the first degree committed in violation of clause (1) of section 609.185 shall be paroled until he has served 25 years, less the diminution which would have been allowed for good conduct had his sentence been for 25 years;

(c) any inmate sentenced prior to September 1, 1963 who would be eligible for parole had he been sentenced after September 1, 1963, shall be eligible for parole; and

(d) (IN ALL CASES WHERE AN INMATE IS SERVING A LIFE SENTENCE FOR MURDER, UNANIMOUS CONSENT OF THE CORRECTIONS BOARD IS REQUIRED FOR PAROLE OF THE INMATE.) any new rule or policy or change (THEREOF) of rule or policy adopted by the (BOARD) commissioner of corrections which has the effect of postponing eligibility for parole has prospective effect only and applies only with respect to persons committing offenses after the effective date of the new rule or policy or change (THEREOF). Upon being paroled and released, an inmate is and remains in the legal custody and under the control of the (CORRECTIONS BOARD) commissioner, subject at any time to be returned to a facility of the department of corrections established by law for the confinement or treatment of convicted persons and the parole rescinded by the (BOARD, WHEN THE LEGAL CUSTODY OF THE CONVICTED PERSON REVERTS TO THE COMMISSIONER OF CORRECTIONS) commissioner. The written order of the (CORRECTIONS BOARD, CERTIFIED BY THE CHAIRMAN OF THE BOARD) commissioner of corrections, (SHALL BE) is sufficient (TO) authority for any peace officer or state parole and probation agent to retake and place in actual custody any person on parole (TO THE CORRECTIONS BOARD) or supervised release, but any state parole and probation agent may, without order of warrant, when it appears necessary in order to prevent escape or enforce discipline, take and detain a parolee or person on supervised release or work release to the (CORRECTIONS BOARD) commissioner for (ITS) his action. The written order of the commissioner of corrections is sufficient (TO) authority for any peace officer or state parole and probation agent to retake and place in actual custody any person on probation under the supervision of the commissioner pursuant to section 609.135, but any state parole and probation agent may, without an order, when it appears necessary in order to prevent escape or enforce discipline, retake and detain a probationer and bring the probationer before the court for further proceedings under section 609.14. (PAROLED) Persons conditionally released, and those on probation under the supervision of the commissioner of corrections pursuant to section 609.135 may be placed within or (WITHOUT) outside the boundaries of the state at the discretion of the (BOARD OR OF THE) commissioner of corrections or the court, and the limits fixed for these persons may be enlarged or reduced according to their conduct.

In considering applications for (PAROLE) *conditional release* or (FINAL RELEASE) *discharge*, the (BOARD) *commissioner* is not required to hear oral argument from any attorney or other person not connected with an adult correctional facility of the department of corrections in favor of or against the parole or release of any inmates, but (IT) *the commissioner* may institute inquiries by correspondence, taking testimony or otherwise, as to the previous history, physical or mental condition, and character of the inmate, and to that end shall have authority to require the attendance of the chief executive officer of any state adult correctional facility and the production of the records of these facilities, and to compel the attendance of witnesses. (EACH MEMBER OF THE BOARD) *The commissioner* is authorized to administer oaths to witnesses for these purposes.

Subd. 2. [RULES.] *The commissioner of corrections may adopt rules in accordance with chapter 14, the Administrative Procedure Act, governing the procedures for granting of conditional release and final discharge. The rules may provide for the conduct and employment of persons conditionally released, and other matters necessary to implement the duties conferred by law upon the commissioner with respect to conditional release and discharge of persons. For purposes of this subdivision, "conditional release" means a person on parole, work release, or supervised release.*

Subd. 3. [DUTY OF COMMISSIONER; FINAL DISCHARGE.] *It is the duty of the commissioner of corrections to keep in communication, as far as possible, with all persons who are on parole and with their employers. The commissioner may grant a person on parole a final discharge from any sentence when:*

(a) *the person on parole has complied with the conditions of parole for a period of time sufficient to satisfy the commissioner that he or she is reliable and trustworthy;*

(b) *the commissioner is satisfied the person on parole will remain at liberty without violating the law; and*

(c) *final discharge is not incompatible with the welfare of society.*

Upon the granting of a final discharge, the commissioner shall issue a certificate of final discharge to the person discharged and also cause a record of the acts of the inmate to be made. The record shall show the date of the inmate's confinement, the inmate's record while in prison, the date of his parole, the inmate's record while on parole, reasons underlying the decision for final discharge, and other facts which the commissioner regards as appropriate. Nothing in sections 243.05 or 244.05 shall

be construed as impairing the power of the board of pardons to grant a pardon or commutation in any case.

Subd. 4. [HEARING OFFICERS; POWERS; DUTIES.]
To carry out the powers and duties conferred upon him by this section, the commissioner of corrections may designate from among the members of his staff, one or more hearing officers and delegate to them any of the powers and duties conferred by this section. In the exercise of their delegated powers and duties the hearing officers shall be subject to the rules prescribed by the commissioner of corrections.

Subd. 5. [DEPUTIZATION OF OUT-OF-STATE AGENTS.]
The commissioner of corrections may deputize any person regularly employed by another state to act as an officer and agent of this state in effecting the return of any person who has violated the terms and conditions of parole or probation as granted by this state. In any matter relating to the return of that person, any agent so deputized has all the powers of a police officer of this state. Any deputization pursuant to this subdivision shall be in writing and carried by the agent as formal evidence of his deputization and must be produced upon demand. Subject to the approval of the commissioner of finance, the commissioner of corrections may enter into contracts with similar officials of any other state for the purpose of sharing an equitable portion of the cost of effecting the return of any person who has violated the terms and conditions of release or probation as granted by this state.

Subd. 6. [SUPERVISION BY COMMISSIONER OF CORRECTIONS; AGENTS.] (a) The commissioner of corrections, as far as possible, shall exercise supervision over persons released on parole or probation pursuant to this section and section 242.19.

(b) The commissioner of corrections shall exercise supervision over probationers as provided in section 609.135, and over persons conditionally released pursuant to section 241.26.

(c) For the purposes of clauses (a) and (b), and sections 609.115 and 609.135, subdivision 1, the commissioner shall appoint state agents who shall be in the classified service of the state civil service. He may also appoint suitable persons in any part of the state or enter into agreements with individuals and public or private agencies, for the same purposes, and pay the costs incurred under the agreements. Parole agents shall reside in the various districts of the state in which they are employed. Each agent or person shall perform the duties the commissioner may prescribe in behalf of or in the supervision of those persons described in clause (b). In addition, each agent or person shall act under the orders of the commissioner in the supervision of those persons conditionally released as provided in clause (a). Agents shall provide assistance to conditionally released persons

in obtaining employment, and shall conduct relevant investigations and studies of persons under supervision upon the request of the commissioner. Regional supervisors may also supervise state parole agents as directed by the commissioner of corrections. This duty shall not interfere with the supervisor's responsibility under the county probation act, Laws 1959, chapter 698.

Sec. 5. Minnesota Statutes 1982, section 243.51, subdivision 3, is amended to read:

Subd. 3. [TEMPORARY DETENTION.] The commissioner of corrections is authorized to contract with the United States attorney general and with the appropriate officials of any county of this state for the temporary detention of any person in custody pursuant to any process issued under the authority of the United States or the district courts of this state. The contract shall provide for reimbursement to the state of Minnesota for all costs and expenses involved. Money received under contracts shall be deposited in the state treasury to the credit of the facility in which the persons may be confined. (THIS SUBDIVISION IS EFFECTIVE TO JUNE 30, 1983.)

Sec. 6. Minnesota Statutes 1982, section 244.04, subdivision 1, is amended to read:

Subdivision 1. (AN INMATE'S) *Notwithstanding the provisions of section 609.11, subdivision 6, and section 609.346, subdivision 1, the term of imprisonment of any inmate sentenced to a presumptive fixed sentence after May 1, 1980 shall be reduced in duration by one day for each two days during which the inmate violates none of the disciplinary offense rules promulgated by the commissioner. The reduction shall accrue to the period of supervised release to be served by the inmate.*

If an inmate violates a disciplinary offense rule promulgated by the commissioner, good time earned prior to the violation may not be taken away, but the inmate may be required to serve an appropriate portion of his term of imprisonment after the violation without earning good time.

Sec. 7. Minnesota Statutes 1982, section 244.05, is amended to read:

244.05 [SUPERVISED RELEASE TERM.]

Subdivision 1. [SUPERVISED RELEASE REQUIRED.] Except as provided in subdivisions 4 and 5, every inmate shall serve a supervised release term upon completion of his term of imprisonment as reduced by any good time earned by the inmate. The supervised release term shall be equal to the period of good time the inmate has earned, and shall not exceed the length of time remaining in the inmate's sentence.

Subd. 2. [RULES.] The (MINNESOTA CORRECTIONS BOARD) *commissioner of corrections* shall promulgate rules for the placement and supervision of inmates serving a supervised release term. The rules shall also provide standards and procedures for the revocation of supervised release, and shall specify the period of revocation for each violation of supervised release. Procedures for the revocation of supervised release shall provide due process of law for the inmate.

Subd. 3. [SANCTIONS FOR VIOLATION.] If an inmate violates the conditions of his supervised release imposed by the (MINNESOTA CORRECTIONS BOARD) *commissioner*, the (BOARD) *commissioner* may:

(1) Continue the inmate's supervised release term, with or without modifying or enlarging the conditions imposed on the inmate; or

(2) Revoke the inmate's supervised release and reimprison him for the appropriate period of time.

The period of time for which a supervised release may be revoked may not exceed the period of time remaining in the inmate's sentence.

Subd. 4. [MINIMUM IMPRISONMENT, LIFE SENTENCE.] An inmate serving a mandatory life sentence shall not be given supervised release under this section unless he has served a minimum term of imprisonment of 17 years.

Subd. 5. [SUPERVISED RELEASE, LIFE SENTENCE.] The (MINNESOTA CORRECTIONS BOARD) *commissioner of corrections* may, under rules promulgated by (IT) *him*, give supervised release to an inmate serving a mandatory life sentence after he has served the minimum term of imprisonment specified in subdivision 4.

Sec. 8. Minnesota Statutes 1982, section 244.06, is amended to read:

244.06 [EXTRAORDINARY DISCHARGE.]

The (MINNESOTA CORRECTIONS BOARD) *commissioner of corrections* may give extraordinary discharge to an inmate for reasons of serious health problems, senility, advanced age or other extraordinary circumstances. The (BOARD) *commissioner* shall promulgate rules specifying the circumstances under which extraordinary discharge may be approved (BY THE BOARD) and the appropriate procedures for approving the same. No extraordinary discharge shall be effective unless also approved by the Minnesota board of pardons.

Sec. 9. Minnesota Statutes 1982, section 244.065, is amended to read:

244.065 [PRIVATE EMPLOYMENT OF INMATES OF STATE CORRECTIONAL INSTITUTIONS IN COMMUNITY.]

When consistent with the public interest and the public safety, the (MINNESOTA CORRECTIONS BOARD) *commissioner of corrections* may (, WITH THE RECOMMENDATION OF THE COMMISSIONER,) conditionally release an inmate to work at paid employment, seek employment, or participate in a vocational training or educational program, as provided in section 241.26, if the inmate has served at least one half of his term of imprisonment as reduced by good time earned by the inmate.

Sec. 10. Minnesota Statutes 1982, section 244.09, subdivision 11, is amended to read:

Subd. 11. The commission shall meet as necessary for the purpose of modifying and improving the guidelines. *Any modification of the guidelines which causes a duration change shall be retroactive for all inmates serving sentences imposed pursuant to the Minnesota sentencing guidelines if the durational change reduces the appropriate term of imprisonment.*

Sec. 11. Minnesota Statutes 1982, section 260.251, subdivision 1a, is amended to read:

Subd. 1a. [COST OF GROUP FOSTER CARE.] Whenever a child is placed in a group foster care facility as provided in section 260.185, subdivision 1, clause (b) or clause (c), item (5) or in section 260.194, subdivision 1, clause (b) or clause (c), the cost of providing the care shall, upon certification by the juvenile court, be paid from the welfare fund of the county in which the proceedings were held. To reimburse the counties for the costs of providing group foster care for delinquent children and to promote the establishment of suitable group foster homes, the state shall quarterly, from funds appropriated for that purpose, reimburse counties 50 percent of the costs not paid by federal and other available state aids and grants. Reimbursement shall be prorated if the appropriation is insufficient.

The commissioner of corrections shall establish procedures for reimbursement and certify to the commissioner of finance each county entitled to receive state aid under the provisions of this subdivision. Upon receipt of a certificate the commissioner of finance shall issue a state warrant to the county treasurer for the amount due, together with a copy of the certificate prepared by the commissioner of corrections.

Sec. 12. Minnesota Statutes 1982, section 383A.28, subdivision 2, is amended to read:

Subd. 2. [NUMBER AND COMPENSATION OF EMPLOYEES.] Subject to the Ramsey county civil service laws, the Ramsey county board of commissioners shall determine the number of employees and their compensation in each office or department in the county government except the abstract clerk, district court reporters, (COUNTY HOME SCHOOL EMPLOYEES,) the examiner of title and his deputies, the public defender and his assistants, (THE DIRECTOR OF COURT SERVICES AND HIS PRINCIPAL ASSISTANTS,) welfare department employees and officers and employees of an agency supported by money provided by Ramsey county and by the city of Saint Paul.

Sec. 13. [383A.405] [CORRECTIONS.]

Subdivision 1. The management and control of the operations of any correctional, juvenile detention, or home school facility within Ramsey county, shall be the responsibility of the director of the department of community corrections. All of the employees of these correctional facilities except the superintendent and the first assistant or chief deputy of the facility shall be in the classified service of the county civil service and subject to section 383A.29.

Subd. 2. Notwithstanding Minnesota Statutes, section 260.094, or other law, in Ramsey county, the superintendent or matron and the assistant superintendent or matron of any county home school shall be appointed and removed by the director of the county community corrections department. The county board of commissioners shall set all salaries of employees at the school subject to section 383A.29.

Subd. 3. Notwithstanding Minnesota Statutes, section 260.101, or other law, in Ramsey county, staff for detention homes shall be appointed and removed by the director of the community corrections department. Salaries for all employees shall be set by the county board of commissioners subject to section 383A.29.

Sec. 14. Minnesota Statutes 1982, section 609.02, is amended by adding a subdivision to read:

Subd. 11. [SECOND OR SUBSEQUENT VIOLATION OR OFFENSE.] "Second or subsequent violation" or "second or subsequent offense" means that prior to the commission of the violation or offense, the actor has been adjudicated guilty of a specified similar violation or offense.

Sec. 15. Minnesota Statutes 1982, section 609.11, subdivision 6, is amended to read:

Subd. 6. [NO EARLY RELEASE.] Any defendant convicted and sentenced as required by this section shall not be eligi-

ble for probation, parole, discharge, or supervised release until that person shall have served the full mandatory minimum term of imprisonment as provided by law, notwithstanding the provisions of sections 242.19, 243.05, (244.04,) 609.12 and 609.135.

Sec. 16. Laws 1923, chapter 289, section 1, as amended by Laws 1949, chapter 61, section 1, Laws 1965, chapter 469, section 1, and Laws 1974, chapter 322, section 11, is amended to read:

Section 1. [(COURT SERVICES DEPARTMENT, SECOND JUDICIAL DISTRICT) *COMMUNITY CORRECTIONS DEPARTMENT.*] There is established, in (THE SECOND JUDICIAL DISTRICT) *Ramsey county*, a (COURT SERVICES) *community corrections* department in connection with the courts of (RAMSEY COUNTY) *the second judicial district.* The department is in the charge of a director (OF COURT SERVICES) *who shall be appointed by and serve at the pleasure of a corrections management committee comprised of three judges of the second judicial district appointed by the chief judge of the district and three members of the board of county commissioners appointed by the chairman of the board.* (THE DISTRICT JUDGES SHALL APPOINT THE DIRECTOR WHO SHALL SERVE FOR FOUR YEARS UNLESS SOONER REMOVED FOR CAUSE BY THE JUDGES. THE DIRECTOR SHALL SUPERVISE AND ADMINISTER SERVICES OF THE DEPARTMENT TO ANY COURTS OF RAMSEY COUNTY, ESTABLISH NECESSARY POLICY, AND MAY DIVIDE THE DUTIES OF THE DEPARTMENT INTO BRANCHES OR DIVISIONS AND APPOINT FROM DEPARTMENT PERSONNEL, THE HEADS OF THE BRANCHES OR DIVISIONS, ALL WITH THE APPROVAL OF THE DISTRICT JUDGES.) *The director shall have full authority and responsibility for the administration, operation, and supervision of all functions and services of the department, and shall carry out that authority and responsibility within the organizational structure and reporting relationship that is in accord with county board and judicial district administrative policies. Salary of the director shall be set by the county board of commissioners upon recommendation of the corrections management committee.*

Sec. 17. Laws 1923, chapter 289, section 2, as amended by Laws 1965, chapter 469, section 2, and Laws 1974, chapter 322, section 12, is amended to read:

Sec. 2. [OFFICERS, EMPLOYEES.] The director may (APPOINT, AS THE JUDGES MAY APPROVE, THREE PRINCIPAL ASSISTANTS OR DIVISION SUPERVISORS) *employ an assistant director, a superintendent, and assistant superintendent for each correctional facility in the county, and three principal assistants or division supervisors, all of whom shall serve at the pleasure of the director in the unclassified*

service. The director shall define the duties of these employees and may delegate powers, duties, and responsibilities to them. Any officer or employee of the department shall exercise delegated powers under the control of and subject to conditions prescribed by the director. The salaries shall be set by the Ramsey county board of commissioners.

Sec. 18. [DIRECTION TO REVISOR.]

In the next and subsequent editions of Minnesota Statutes, the revisor of statutes shall substitute the terms "commissioner of corrections" or "commissioner" for the terms "Minnesota corrections board," "board of corrections," "corrections board," or "board" as appropriate wherever that term appears.

Sec. 19. [REPEALER.]

Minnesota Statutes 1982, sections 241.045; 243.07; 243.09; 243.10; 243.12; and 243.14, are repealed.

Sec. 20. [EFFECTIVE DATE.]

Sections 1 to 11, 14, 15, 18, and 19 are effective the day after final enactment.

Sec. 21. [EFFECTIVE DATE; LOCAL APPROVAL.]

Sections 12, 13, 16, and 17 are effective the day after compliance with section 645.021, subdivision 3, by the Ramsey county board of commissioners."

Delete the title and insert:

"A bill for an act relating to corrections; providing for the supervision and control of parolees and persons on supervised release by the commissioner of corrections; removing the limitation on contracts for temporary detention of pre-trial detainees; transferring functions and powers of the corrections board to the commissioner of corrections; providing for reimbursement of foster care costs for delinquent juveniles; defining second or subsequent violation or offense; providing for adjustment of certain sentences; providing for administration of Ramsey county corrections services; amending Minnesota Statutes 1982, sections 241.26, subdivisions 1, 3, and 4; 243.05; 243.51, subdivision 3; 244.04, subdivision 1; 244.05; 244.06; 244.065; 244.09, subdivision 11; 260.251, subdivision 1a; 383A.28, subdivision 2; 609.02, by adding a subdivision; 609.11, subdivision 6; proposing new law coded in chapter 383A; amending Laws 1923, chapter 289, sections 1 and 2, as amended; repealing Minnesota Statutes 1982, sections 241.045; 243.07; 243.09; 243.10; 243.12; and 243.14."

With the recommendation that when so amended the bill pass.

The report was adopted.

Wenzel from the Committee on Agriculture to which was referred:

H. F. No. 639, A bill for an act establishing an agricultural resource energy loan guaranty program, board, and fund, and the terms of guaranties by the state of project loans in the program; appropriating money, taxes, tax increments, and other governmental charges; authorizing the issuance of state bonds; amending Minnesota Statutes 1982, sections 290.01, by adding a subdivision; 297A.44, subdivision 1; and 362A.01, subdivision 1; 362A.05; and 473F.02, subdivision 3; proposing new law coded as Minnesota Statutes, chapter 41A; proposing new law coded in Minnesota Statutes, chapter 362A.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [41A.01] [PURPOSE.]

Sections 1 to 6 provide a framework for an agricultural resource loan guaranty program, the purposes of which are to further the development of the state's agricultural resources, improve the market for its agricultural products, and increase the use of chemicals including fuel derived from renewable agricultural sources and having superior qualities for controlling pollution and conserving energy. Public debt is authorized by the constitution to be incurred for developing agricultural resources by extending credit on real estate security. The program contemplates the use of this power not to finance projects of the kind described herein, but to provide financial guaranties for a portion of the cost of viable projects to the extent necessary to enable qualified developers and operators to secure private financing which would not otherwise be available. All credit advanced pursuant to loan guaranty commitments is to be secured by subrogation of the state to mortgage security and other security interests granted to the private lender, in proportion to the amount advanced by the state. A loan guaranty board is established to investigate the feasibility of each project, its conformity to the above policies and to environmental standards, the qualifications of the owners, operators, and lenders, and the nature and extent of the security, prior to commitment, and to secure maximum financial participation by private persons, not supported by the guaranty, to assure that in these respects each project satisfies and will continue to satisfy criteria which are adequate in the judgment of the board.

Sec. 2. [41A.02] [DEFINITIONS; ACTIONS BY THE STATE.]

Subdivision 1. The definition of each term given in this section applies whenever the term is used in sections 1 to 6.

Subd. 2. "Agricultural resource" means any organic matter which is available on a renewable basis from agricultural processes, including cereal, animal, and wood production, waste, and residues.

Subd. 3. "Agricultural resource loan guaranty board" or "board" means the commissioner of finance as chairman, the commissioner of agriculture, the commissioner of commerce, and the director of the pollution control agency.

Subd. 4. "Agricultural resource loan guaranty fund" or "guaranty fund" means the special and dedicated fund of the state created by section 5.

Subd. 5. "Agricultural resource loan guaranty program" or "program" includes all projects and loan guaranties approved pursuant to sections 3 and 4 for the purposes set forth in section 1.

Subd. 6. "Agricultural resource project" or "project" means any facility (or portion of a facility) located in the state which is operated or to be operated primarily for the production from agricultural resources of gaseous, liquid, or solid fuel and other chemicals, and products and by-products, including mixing or producing substances to be mixed with other substances for use as a fuel or as a substitute for petroleum or petrochemical feedstocks.

Subd. 7. "Applicant" means any rural development finance authority organized, or any county exercising the powers of such an authority, pursuant to chapter 362A, which applies to the state for approval of a guaranty of a loan to a borrower for a project.

Subd. 8. "Borrower" means any applicant or any private individual, company, cooperative, partnership, corporation, association, consortium, or other entity organized for a common business purpose, which is obligated or to be obligated to pay a guaranteed loan.

Subd. 9. "Construction" means construction of a new agricultural resource project, or conversion of a facility to such a project, or expansion or improvement of a project to increase its capacity or efficiency. "Construction" includes acquisition of land, easements, buildings, structures, improvements, and equipment and machinery for use in or at the site of a project or on easements adjacent thereto.

Subd. 10. "Cost" of a project means the sum of all obligations paid or to be paid or incurred by the borrower which are reasonably required for the construction and completion of the project, including but not limited to (i) surveys, estimates, plans, specifications, supervision of construction, and other engineering and architectural service; (ii) payments under construction contracts and for payment and performance bonds; (iii) purchase and installation of equipment and machinery; (iv) recording, filing, permit, legal, financial, underwriting, placement, commitment, publication, advertising, and other charges, fees, and expenses incurred for establishing title, mortgage liens, and security interests with respect to the project, for securing permits for construction and approval of the loan guaranty, for establishing the terms of the loan and underlying security agreements, and for offering, selling, or placing with investors and printing and delivering the obligations evidencing the loan; and (v) interest, discount, fees, and expenses accruing with respect to the loan, and taxes and other government charges payable with respect to the project, during construction.

Subd. 11. "Lender" means any holder or holders of bonds, notes, or other obligations evidencing a guaranteed loan, any trustee representing such holders, and any investment or commercial banking institution, savings and loan institution, insurance company, investment company, or other financial institution or institutional investor making, purchasing, or participating in a loan or any part thereof.

Subd. 12. "Loan" means any obligation to repay money borrowed to finance the construction of a project or to refund or refinance such an obligation.

Subd. 13. "Loan agreement" means a written agreement or agreements setting forth the terms and conditions of the obligation of the borrower to the lender and the pledges and covenants made and mortgage lien and other security interests granted for the security of the obligations; including a mortgage, note, indenture, or other agreement however designated.

Subd. 14. "Loan guaranty" means a written agreement executed on behalf of the state that guarantees, in accordance with the terms and conditions contained therein or in a loan agreement, the payment of sums of money owing by a borrower to a lender.

Subd. 15. "State" actions contemplated in sections 1 to 6 may be taken on behalf of the state by resolutions of the agricultural resource loan guaranty board, subject to approval by the governor if required by the governor; or by a member of the board or another state officer in the department headed by the member, pursuant to authority delegated by resolution of the guaranty board. Resolutions of the guaranty board shall be effective when approved by the vote of a majority of its members.

Sec. 3. [41A.03] [LOAN GUARANTIES.]

Subdivision 1. [AUTHORITY FOR AND LIMITATION OF GUARANTY.] Subject to the provisions of sections 1 to 6 and upon determination that a loan hereunder will serve the public purposes and satisfy the conditions set forth therein, the state may guarantee and commit to guarantee against loss an amount not exceeding 95 percent, with accrued interest, of a loan for the construction of an agricultural resource project (or the refunding or refinancing of such a loan), secured by a first mortgage lien on and security interest in all real and personal property comprising the project and such other collateral as may be provided in the loan agreement.

Subd. 2. [LIMITATION OF LOAN AMOUNT.] The total principal amount of any guaranteed loan may not exceed 80 percent of the total cost of the related project as estimated by the state at the time the commitment to guarantee is made (or, in the case of a refunding or refinancing loan, 95 percent of the aggregate amount of principal and interest refunded or refinanced); except that if the actual cost exceeds the estimate the state may, upon request of the borrower and the lender, consent to an increase of the loan by a principal amount not greater than 80 percent of the excess cost, and may increase the guaranteed amount by not more than 95 percent of the increase in the principal amount, and accrued interest thereon.

Subd. 3. [REQUIRED PROVISIONS.] The loan guaranty or loan agreement pertaining to any loan guaranteed by the state shall provide that:

(a) Payments of principal and interest made by the borrower under the loan shall be applied by the lender to reduce the guaranteed and nonguaranteed portion of the loan on a proportionate basis, and the nonguaranteed portion shall not in any event receive preferential treatment over the guaranteed portion.

(b) A period of grace shall be allowed of not less than 60 days from a date a principal or interest payment is due, prior to the making of demand for payment pursuant to the loan guaranty, to permit adequate time for a decision on behalf of the state regarding principal and interest assistance in accordance with subdivision 4. Payment as required by the loan guaranty shall be made within 60 days after receipt by the state of written demand complying with the terms and conditions of the guaranty.

(c) The lender may not accelerate repayment of the loan or exercise other remedies available to the lender in the event of the borrower's default, except in the case of the borrower's failure to pay a required payment of principal or interest, without the prior written consent of the state or as otherwise permitted in the loan guaranty. In the event of such defaults, the lender shall not be entitled to make demand for payment pursu-

ant to the guaranty unless the state agrees in writing that such default has materially affected the rights or security of the parties, and finds that the lender should be entitled to receive payment pursuant to the loan guaranty.

(d) If a payment of principal or interest is made by the state upon default of the borrower, the state shall be subrogated to the rights of the lender with respect to such payment.

(e) The borrower shall cause to be promptly prepared and delivered to the state annual audited financial statements of the project prepared according to generally accepted accounting principles.

(f) Duly authorized representatives of the state shall have access to the project site at reasonable times during construction and operation of the project.

(g) The borrower shall maintain adequate records and documents concerning the construction and operation of the project in order that representatives of the state may determine its technical and financial conditions and its compliance with environmental requirements. Such records shall include the amounts of all sales and use taxes paid on personal property and services purchased for the construction and operation of the project, with tax receipts furnished by the sellers or other supporting documentation determined by the board to be satisfactory. The amounts of such taxes shall be reported to the board in the manner and at the times required by the board.

(h) The borrower shall protect and preserve at all times the project assets and other collateral securing the loan and shall assist in liquidation of collateral to minimize loss in the event of default.

(i) Orderly liquidation of assets of the project shall be provided for in the event of default, with an option on the part of the state to acquire from the lender the lender's interest therein pursuant to the nonguaranteed portion of the loan.

(j) The state shall be paid at or prior to the closing of the guaranteed loan a fee or fees for the loan guaranty or the commitment to guarantee the loan, which shall not in the aggregate exceed one percent of the total principal amount of the guaranteed portion.

(k) The lender shall cause to be perfected and maintained the mortgage lien on the real estate and the security interest in personal property and collateral granted as security for the loan, and shall cause all other loan servicing functions to be performed which are normally required or performed by a reasonable and prudent lender with respect to a loan without a guaranty.

(l) The state shall be notified in writing without delay of (i) the date and amount of and basis for each disbursement of loan proceeds; (ii) any nonpayment of principal or interest due (within ten days after the due date and with evidence of notification to the borrower); (iii) any failure to honor a commitment by any person of an intended source of capital for the project; and (iv) any significant adverse changes from original cash flow projections as evidenced by reports from the borrower, or any other known evidence that the borrower might be unable to meet a future scheduled payment of principal or interest.

Subd. 4. [PRINCIPAL AND INTEREST ASSISTANCE.]
The state may at any time enter into a written contract with the borrower to pay the lender, on behalf of the borrower, an amount not greater than the amount of principal and interest to become due on one or more subsequent dates, without acceleration, if the state determines that (i) the borrower is not in default in payment of principal or interest due more than 60 days prior to the date of the contract; (ii) the borrower is or may become unable to meet in full principal or interest payments, or both, which are due or to become due within a specified period; (iii) it is in the public interest to permit the borrower to continue to pursue the purposes of the project; (iv) the probable net financial loss to the state will be less than that which would result in the event of a default; (v) the borrower is obligated by the contract to reimburse the state for all principal or interest advanced, with interest thereon, upon terms and conditions satisfactory to the state; and (vi) funds are available for allocation to the account established for the project in the guaranty fund, and are continuously allocated to the account in accordance with the provisions of section 4, subdivision 3, in an amount equal to the amount of interest on the advances until actually reimbursed to the state by the borrower. All sums so advanced and interest thereon shall be secured by the mortgage lien and security interest granted by the loan agreement, but none of such advances shall thereafter be repaid to the state until and unless all principal and interest currently due on the loan has been fully paid. In the event of subsequent default by the borrower, acceleration by the lender, and payment by the state of the full amount due under the loan guaranty, the state shall be subrogated to the rights of the lender with respect to the principal paid by it under the contract. Upon payment of the loan in full, with accrued interest, the remaining amount of said advances and interest thereon may be paid to the state.

Sec. 4. [41A.04] [APPLICATION AND APPROVAL.]

Subdivision 1. [REQUIREMENTS.] Any rural development finance authority, or county exercising the powers of such an authority, may file a written application with the state commissioner of finance, to be considered by the agricultural resource loan guaranty board, for a guaranty by the state of a portion of a loan for an agricultural resource project. In general,

the application shall provide information similar to that required by an investment banking or other financial institution considering such a project for debt financing. Specifically, each application shall include in brief but precise form the following information, as supplied by the applicant, the borrower, or the lender:

(1) *a description of the scope, nature, extent, and location of the proposed project, including the identity of the borrower and a preliminary or conceptual design of the project;*

(2) *a description of the technology to be used in the project and the prior construction and operating experience of the borrower with such projects;*

(3) *a detailed estimate of the items comprising the total cost of the project, including escalation and contingencies, with explanation of the assumptions underlying the estimate;*

(4) *a general description of the financial plan for the project, including the mortgage and security interests to be granted for the security of the guaranteed loan, and all sources of equity, grants, or contributions or of borrowing the repayment of which is not to be secured by said mortgage and security interests, or, if so secured, is expressly subordinated to the guaranteed loan;*

(5) *an environmental report analyzing potential environmental effects of the project, any necessary or proposed mitigation measures, and other relevant data available to the applicant to enable the board to make an environmental assessment;*

(6) *a list of applications to be filed and estimated dates of approvals of permits required by federal, state, and local government agencies as conditions for construction and commencement of operation of the project;*

(7) *an estimated construction schedule;*

(8) *an analysis of the estimated cost of production of and market for the product, including economic factors justifying the analysis and proposed and actual marketing contracts, letters of intent, and contracts for the supply of feedstock;*

(9) *a description of the management experience of the borrower in organizing and undertaking similar projects;*

(10) *pro forma cash flow statements for the first five years of project operation including income statements and balance sheets;*

(11) a description of the borrower's organization and, where applicable, a copy of its articles of incorporation or partnership agreement and bylaws;

(12) the estimated amount of the loan and percentage of guaranty requested, the proposed repayment schedule, and other terms and conditions and security provisions of the loan;

(13) an estimate of the amounts and times of receipt of guaranty fees, sales and use taxes, property tax increments, and any other governmental charges which may be available for the support of the state guaranty fund as a result of the construction of the project, with an analysis of the assumptions on which the estimate is based;

(14) a copy of any lending commitment issued by a lender to the borrower;

(15) a statement from the lender, if identified, as to its general experience in financing and servicing debt incurred for projects of the size and general type of the project, and its proposed servicing and monitoring plan; and

(16) such additional information as may be required by the board.

Subd. 2. [ENVIRONMENTAL ASSESSMENT.] Notwithstanding any other law or rule, the board shall be the responsible governmental unit for the completion of an environmental assessment worksheet with respect to each project considered for a loan guaranty in the agricultural resource loan guaranty program, and for considering comments on and determining the need for an environmental impact statement in accordance with section 116D.04, subdivision 2a, or other law. Notwithstanding the provisions of any other law or rule, an environmental impact statement shall not be required to be prepared, unless so determined by the board, with respect to an agricultural resource project which will have a capacity to utilize 300,000 dry tons or less per year of input, or, if designed for production of alcohol fuels, will have a capacity to produce 60,000,000 or less gallons per year of alcohol.

Subd. 3. [COMMITMENT.] The board shall determine as to each project for which an application is submitted whether it appears in the board's judgment to conform to the purposes and policies stated in section 1 to an extent measured by criteria which in the board's judgment are satisfactory. It may but need not adopt rules setting forth such criteria prior to approving a commitment. Upon determination by the board that a project conforms to said purposes and policies, and it has determined the adequacy of the environmental impact statement if one is required, it may by resolution make on behalf of the state a con-

ditional commitment to guarantee such portion of the proposed loan as it shall determine, not exceeding the limitations set forth in section 3. Such commitment shall not be binding upon the state until and unless:

(1) the board has created a project account for the project in the guaranty fund and has allocated thereto, from funds theretofore appropriated by the legislature or from the proceeds of bonds issued or to be issued for purposes of the guaranty fund pursuant to authorization theretofore enacted by the legislature, and not previously allocated to any other project account, in an aggregate amount sufficient, with any other amount then on hand in the project account, to pay the entire guaranteed principal amount of the proposed loan, plus interest thereon for one year; provided that bonds authorized by the legislature need not be issued until and unless the proceeds allocated to a project account must be deposited therein to comply with clause (2) or (3);

(2) the board has deposited in the project account bond proceeds or other funds in an amount not less than the annual amount which would be required to amortize the guaranteed portion of the principal of the loan over the term and at the interest rate (or at the rate of yield resulting from the interest rates) provided in the loan agreement; and

(3) the board has caused to be executed on behalf of the state a final loan guaranty instrument in conformity with section 3, which binds the state to cause state bonds to be offered for sale at the times and in the amounts required, with amounts on hand in the project account, to pay all amounts to become due and payable under the loan guaranty, within the authorization and allocation referred to in clause (1), and when sold, to issue the bonds and apply the proceeds to make these payments.

Sec. 5. [41A.05] [MINNESOTA AGRICULTURAL RESOURCE LOAN GUARANTY FUND AND BONDS.]

Subdivision 1. [ESTABLISHMENT OF FUND.] For the purpose of developing the state's agricultural resources by extending credit on real estate security, the agricultural resource loan guaranty fund is established as a special and dedicated fund to be held and invested separately from all other funds of the state. All proceeds of state bonds authorized and issued for the purposes of the fund, and all guaranty fees, retail sales taxes, property tax increments, and other money from any source which may be credited to the fund pursuant to law or pursuant to the terms of grants, contributions, or contracts are appropriated and shall remain available for the purposes of the fund until such purposes have been fully accomplished. The fund shall be used solely for paying amounts due under loan guaranties and principal and interest assistance contracts entered into by the state, pursuant to the agricultural resource loan guaranty program.

Subd. 2. [ISSUANCE OF BONDS.] To provide money appropriated to the agricultural resource loan guaranty fund for the purposes of the program, when authorized by law and requested by the board, the commissioner of finance shall issue and sell bonds of the state for the prompt and full payment of which, with interest, the full faith, credit, and taxing powers of the state are irrevocably pledged. The proceeds of the bonds when issued, except accrued interest and any premium received upon sale, shall be credited to the guaranty fund. All such bonds shall be sold and issued and shall be secured in the manner, upon the terms, and with the effect prescribed for state building bonds in chapter 16A, except that the commissioner may sell them and determine their interest rate by direct negotiation, and with the security provisions set forth therein and in article XI, sections 4 to 7 of the constitution.

Subd. 3. [COVENANT.] In fulfillment of the state's covenant with the beneficiary of each loan guaranty executed by the board on behalf of the state pursuant to the agricultural resource loan guaranty program, in accordance with section 4, subdivision 2, the state will not limit or alter the rights vested in the board to comply with the terms of such loan guaranties, and further covenants that it will not at any time rescind or cancel any authorization of an amount of bonds, or the appropriation of the proceeds thereof for the purposes of the program, which, with the sum of the amounts then held in each project account in the guaranty fund, would be required, in the event of an immediate default on each guaranteed loan, to pay the balance of the guaranteed portion of the principal of all guaranteed loans with interest accrued and to accrue thereon for one year.

Subd. 4. [INCOME TAX EXEMPTION.] The interest on state bonds issued hereunder shall be exempt from state income taxation only as provided in sections 290.01, subdivisions 20 to 20g, and 290.08, subdivision 8, for obligations of the state. In the issuance of state bonds and the making of loan guaranties for the purposes of the program, the commissioner of finance and the board may and shall make all provisions and do or cause to be done all acts and things, consistent with sections 1 to 6, which are or may be effective under federal laws and regulations to comply with conditions for the exemption of interest on such bonds from federal income taxation. However, if for any reason, whether existing at the date of issue of any bonds or the date of execution of any loan guaranty or thereafter, the interest on any such bonds shall be or become subject to federal income taxes, this shall not impair or affect the validity of the bonds or of any loan guaranty or the provisions made for the security thereof, and shall not impair or affect the covenant made by the state in subdivision 3. Nothing herein affects the federal or state income tax treatment of interest on obligations of a borrower other than the state, whether or not guaranteed by the state.

Sec. 6. [41A.06] [PROJECT TAXES AND OTHER CHARGES.]

Subdivision 1. [APPROPRIATION.] The payments, taxes, and governmental charges described in this section which are received as a consequence of the undertaking, completion, and operation of each agricultural resource loan project for which a loan guaranty is made by the state are appropriated to the loan guaranty fund. This appropriation shall not lapse at the close of any fiscal year under the provisions of section 16A.28, and the receipts therefrom shall remain available as provided in section 5, subdivision 1; but the state shall not be obligated to continue the appropriation with respect to charges not yet collected, except to the extent determined to be necessary for compliance with the covenant contained in section 5, subdivision 3.

Subd. 2. [ALLOCATION TO PROJECT ACCOUNTS.] Receipts of charges related to a particular project shall be deposited and recorded in its project account in the guaranty fund; but the board may reallocate receipts in any project account which cause the amount held therein to exceed the minimum balance established initially pursuant to section 4, subdivision 2, clause (2). Such reallocation may be made to another project account for the purpose of maintaining the minimum balance therein. Any amount in the guaranty fund at any time exceeding the amount needed to maintain the minimum balance in all project accounts may be transferred to the account maintained in the state debt service fund for the payment of Minnesota agricultural resource loan guaranty bonds; provided that (i) no guaranty fees or other amounts paid by borrowers shall be so transferred, and (ii) the board determines that the transfer may be made without jeopardizing the ability of the state to comply with the covenant contained in section 5, subdivision 3.

Subd. 3. [PAYMENTS BY BORROWERS.] Guaranty and commitment fees paid by borrowers pursuant to the loan guaranty provision required by section 3, subdivision 3, clause (j), and repayments by borrowers of amounts advanced by the state under contracts referred to in section 3, subdivision 4, shall be deposited in the project account for the borrower's project and shall not be disbursed or transferred for any purpose other than the fulfillment of the state's obligations under the loan guaranty for that project. No such funds shall be deemed to be so transferred at any time if the minimum required balance in the project account is maintained and exceeds the aggregate amount of fees and payments theretofore received from the borrower plus interest received from the investment thereof.

Subd. 4. [SALES AND USE TAXES.] All collections of the excise taxes imposed by chapter 297A upon retail sales, and upon the privilege of use, storage, or consumption in Minnesota, of personal property and services purchased for the construction or

operation of any project for which a loan guaranty has been made or conditionally committed, less any refunds required by law and a proportionate share of the cost of administration and enforcement of the assessment and collection of the taxes, are appropriated and shall be deposited from the general fund into the project account in the guaranty fund at least once each year from and after the date of the conditional commitment. The commissioner of finance shall secure from each borrower the amount of taxes so imposed and from the commissioner of revenue the amount of refunds or costs to be deducted therefrom.

Subd. 5. [PROPERTY TAX INCREMENTS.] The applicant for a loan guaranty for any project, and the county in which the project is situated, shall do all acts and things necessary for the computation and segregation of property tax increments resulting from the construction of the project in accordance with the provisions of section 362A.05, and for the remittance to the commissioner of finance, for deposit in the loan guaranty fund, of all tax increments received from and after the date of the conditional commitment for the loan guaranty.

Sec. 7. Minnesota Statutes 1982, section 116B.03, subdivision 1, is amended to read:

Subdivision 1. Any person residing within the state; the attorney general; any political subdivision of the state; any instrumentality or agency of the state or of a political subdivision thereof; or any partnership, corporation, association, organization, or other entity having shareholders, members, partners or employees residing within the state may maintain a civil action in the district court for declaratory or equitable relief in the name of the state of Minnesota against any person, for the protection of the air, water, land, or other natural resources located within the state, whether publicly or privately owned, from pollution, impairment, or destruction; provided, however, that no action shall be allowable hereunder for acts taken by a person on land leased or owned by said person pursuant to a permit or license issued by the owner of the land to said person which do not and can not reasonably be expected to pollute, impair, or destroy any other air, water, land, or other natural resources located within the state; provided further that no action shall be allowable under this section for conduct taken by a person pursuant to any environmental quality standard, limitation, regulation, rule, order, license, stipulation agreement or permit issued by the pollution control agency, department of natural resources, department of health or department of agriculture, or for action taken by a person as authorized or required in a conditional or final commitment issued by the agricultural resource loan guarantee board for a state guarantee of a loan for a project pursuant to section 4, subdivision 3.

Sec. 8. Minnesota Statutes 1982, section 290.01, is amended by adding a subdivision to read:

Subd. 20g. [MODIFICATION REDUCING FEDERAL ADJUSTED GROSS INCOME WITH RESPECT TO INTEREST ON CERTAIN BONDS.] Interest income on state bonds issued pursuant to section 5, subdivision 2, for the purposes of the agricultural resource loan guaranty program, to the extent includible in federal adjusted gross income, shall be subtracted therefrom.

Sec. 9. Minnesota Statutes 1982, section 297A.44, subdivision 1, is amended to read:

Subdivision 1. All revenues, including interest and penalties, derived from the excise and use taxes imposed by sections 297A.01 to 297A.44 shall be deposited by the commissioner in the state treasury and credited to the general fund; *provided that all such taxes derived from sales and use of property and services purchased for the construction and operation of an agricultural resource project, from and after the date on which a conditional commitment for a loan guaranty for the project is made pursuant to section 4, subdivision 2, as certified to the commissioner by the commissioner of finance, less refunds and the cost of administering and enforcing the assessment and collection of taxes so derived, shall be deposited in the agricultural resource loan guaranty fund.*

Sec. 10. Minnesota Statutes 1982, section 362A.01, subdivision 1, is amended to read:

Subdivision 1. Any county or combination of counties by resolution of the county board or boards may establish a rural development financing authority as a public nonprofit corporation with the same powers and duties as those conferred and imposed on a private nonprofit corporation by chapter 317, and all present and future laws amending or supplementing that chapter, except as otherwise or additionally provided herein. No such authority shall transact any business or exercise any powers until a certified copy of the resolutions of each participating county board has been submitted to the secretary of state and a certificate of incorporation issued pursuant to section 317.10. *Alternatively, a county may determine by resolution of the county board (without such filing) to exercise the powers granted in this chapter to a rural development finance authority.*

Sec. 11. [362A.041] [APPLICATIONS FOR LOAN GUARANTIES.]

The authority, or a county exercising the powers of an authority pursuant to section 362A.01, may undertake or participate in undertaking a project deemed to further the policies and purposes of the agricultural resource loan guaranty program established and described in sections 1 to 6, by applying to the guaranty board for a guaranty by the state of a portion of a loan for the project to be secured by the applicant, or by another eligi-

ble borrower. For this purpose it may do all acts and things required of an applicant or of a borrower under the provisions of sections 1 to 6; including but not limited to the computation, segregation, and application of tax increments by deposit in the loan guaranty fund under the terms of the loan guaranty.

Sec. 12. Minnesota Statutes 1982, section 362A.05, is amended to read:

362A.05 [AGREEMENTS FOR RESERVATION OF TAX INCREMENTS.]

The authority may enter into an agreement with any county in which a project is to be situated, *or such county if exercising the powers of an authority may adopt a resolution, under which the increment of taxable value of property (TO BE CREATED BY THE) constituting an agricultural resource project for which a conditional commitment for a loan guaranty has been made by the state as provided in section 4, subdivision 2, over and above the taxable value of the project site as last finally determined before the project was undertaken, may be excluded from the taxable value of property on which the mill rate of taxes is computed in every subsequent year, for so long as may be (AGREED) provided in the loan guaranty, but the aggregate mill rate of taxes levied by the county and all other taxing districts on other properties in each such year shall be spread also on the incremental taxable value of the project, and the tax resulting therefrom, when collected, shall be remitted to the authority (, AND MAY BE PLEDGED, TOGETHER WITH CHARGES OR SPECIAL ASSESSMENTS, TO PAY OR GUARANTEE THE PAYMENT OF ITS BONDS, OR MAY BE USED BY THE AUTHORITY FOR THE PURPOSES STATED IN SECTION 362A.01, SUBDIVISION 2) or to the county, as the case may be, for deposit and use in the loan guaranty fund of the state as provided in sections 1 to 6. Every county shall have the power by resolution of the county board to do all acts and things necessary for the computation, segregation, and application of tax increments under (AGREEMENTS MADE WITH THE AUTHORITY) the loan guaranty in accordance with this section. (THIS SECTION SHALL NOT APPLY WITH RESPECT TO ANY PROJECT ESTABLISHED SUBSEQUENT TO AUGUST 1, 1979.)*

Sec. 13. Minnesota Statutes 1982, section 473F.02, subdivision 3, is amended to read:

Subd. 3. "Commercial-industrial property" means the following categories of property, as defined in section 273.13, excluding that portion of such property (a) which may, by law, constitute the tax base for a tax increment pledged pursuant to sections 462.585 or 474.10, certification of which was requested prior to August 1, 1979, to the extent and while such tax increment is so pledged; (b) which may, by law, constitute the tax base for tax

revenues set aside and paid over for credit to a sinking fund pursuant to direction of the city council in accordance with Laws 1963, Chapter 881, as amended, to the extent that such revenues are so treated in any year; (OR) (c) *which may, by law, constitute the tax base for a tax increment pledged pursuant to section 362A.05, whenever certification thereof is requested, to the extent and while such tax increment is so pledged; or (d) which is exempt from taxation pursuant to section 272.02:*

(a) That portion of class 3 property consisting of stocks of merchandise and furniture and fixtures used therewith; manufacturers' materials and manufactured articles; and tools, implements and machinery, whether fixtures or otherwise.

(b) Class 3h property.

(c) Class 3j property.

(d) That portion of class 4 property which is either used or zoned for use for any commercial or industrial purpose, except for such property which is, or, in the case of property under construction, will when completed be used exclusively for residential occupancy and the provision of services to residential occupants thereof. Property shall be considered as used exclusively for residential occupancy only if each of not less than 80 percent of its occupied residential units is, or, in the case of property under construction, will when completed be occupied under an oral or written agreement, for occupancy over a continuous period of not less than 30 days.

If the classification of property prescribed by section 273.13 is modified by legislative amendment, the references in this subdivision shall be to such successor class or classes of property, or portions thereof, as embrace the kinds of property designated in this subdivision.

(e) That property valued and assessed under section 273.13, subdivision 14.

Sec. 14. [AUTHORIZATION OF BONDS.]

To provide money in the state agricultural resource loan guaranty fund, for the purpose of the program for which this fund is appropriated and dedicated under the provisions of sections 1 to 6, the commissioner of finance may issue bonds of the state in the aggregate amount of \$ Before the issuance of any series of such bonds the loan guaranty board shall determine by resolution that the amount to be issued will be needed to make payments due under one or more guaranties executed with respect to outstanding loans in the program, or is needed to maintain within the guaranty fund a balance sufficient in the judgment of the board to assure compliance by the state with its

covenant contained in section 5, subdivision 3. The bonds shall be sold and issued in the manner, upon the terms, and with the effect prescribed by sections 1 to 6 and by the constitution, article XI, sections 4 to 7.

Sec. 15. [EFFECTIVE DATE.]

This act is effective the day following final enactment."

Delete the title and insert:

"A bill for an act establishing an agricultural resource loan guaranty program, board, and fund, and the terms of guaranties by the state of project loans in the program; appropriating money, taxes, tax increments, and other governmental charges; authorizing the issuance of state bonds; amending Minnesota Statutes 1982, sections 116B.03, subdivision 1; 290.01, by adding a subdivision; 297A.44, subdivision 1; and 362A.01, subdivision 1; 362A.05; and 473F.02, subdivision 3; proposing new law coded as Minnesota Statutes, chapter 41A; proposing new law coded in Minnesota Statutes, chapter 362A."

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

The report was adopted.

Norton from the Committee on Governmental Operations to which was referred:

H. F. No. 642, A bill for an act relating to state employees; authorizing the deduction from salaries or wages of sums of money designated by them for certain combined charitable funds; amending Minnesota Statutes 1982, section 15.375, subdivision 2; proposing new law coded in Minnesota Statutes, chapter 309; repealing Minnesota Statutes 1982, section 15.375, subdivision 1.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1982, section 15.375, subdivision 2, is amended to read:

Subd. 2. The commissioner of finance, upon the written request of a state officer or employee, (MAY) shall deduct each payroll period from the salary or wages of the officer or employee the amount specified (THEREIN) in the written request for payment to (THE UNITED FUND) a registered combined charitable organization defined in section 2, and issue his war-

rant (THEREFOR) in that amount to (THE UNITED FUND) that registered combined charitable organization.

Sec. 2. [309.501] [REGISTERED COMBINED CHARITABLE ORGANIZATIONS.]

Subdivision 1. [DEFINITIONS.] As used in this section, the following terms have the meanings given them.

"Registered combined charitable organization" means an organization (1) which is tax exempt under section 501(c)3 of the Internal Revenue Code of 1954, as amended through December 31, 1980 (hereinafter "Internal Revenue Code"), and to which contributions are deductible under section 170 of the Internal Revenue Code; (2) which secures funds for distribution to ten or more charitable agencies in a single, annual consolidated effort; (3) which is governed by a voluntary board of directors which represents the broad interests of the public; (4) which distributes at least 70 percent of its total collected income and revenue to the designated agencies it supports and expends no more than 30 percent of its total income and revenue for management and general costs and fundraising costs; (5) and each designated agency supported by the recipient institution devotes substantially all of its activities directly to providing health, welfare, social, or other human services to individuals; (6) and each designated agency supported by the recipient institution provides health, welfare, social, or other human services, in the community and surrounding area in which the recipient institution's fund drive takes place; and (7) which has been registered with the commissioner of securities and real estate in the department of commerce in accordance with this section.

"Charitable agency" means a governmental agency or an organization (1) which is tax exempt under section 501(c)3 of the Internal Revenue Code; (2) to which contributions are deductible under section 170 of the Internal Revenue Code; and (3) which is in compliance with the provisions of this chapter.

Subd. 2. [DESIGNATED CONTRIBUTIONS.] A registered combined charitable organization may offer a state officer or employee the option of designating in writing that the amount deducted in section 1 be designated to any charitable agency, whether or not the charitable agency receives funds from the single, annual consolidated effort. A registered charitable organization which offers this option shall provide a list of charitable agencies receiving funds and the amount each charitable agency receives in the annual report required pursuant to section 309.53.

Subd. 3. [REGISTRATION.] An organization may apply to the commissioner of securities and real estate in the department of commerce as a registered combined charitable organization. An organization which applies to the commissioner shall

provide the commissioner with all information the commissioner deems necessary to identify the charitable and tax exempt status of the organization and its compliance with the provisions of this chapter. A registered combined charitable organization shall disclose in its solicitation and its annual report filed under section 309.53:

- (a) gross dollars received in contributions in the prior year;*
- (b) names of and amount of money distributed to each charitable agency by the combined charitable organization;*
- (c) percentage of gross dollars contributed which was directly received by the charitable agencies; and*
- (d) projected percentage of the contribution to be received by the charitable agencies in the year for which the solicitation is being made.*

If participating charitable agencies are required to pay any fees to the combined charitable organization, it shall also be disclosed in the solicitation and annual report. In the annual report the combined charitable organization shall include a list of charitable agencies to which donors specifically designated funds, and the amount designated to each agency. Notwithstanding section 309.53, subdivision 1a, each charitable agency shall file the report required in section 309.53. The commissioner shall consult with the attorney general to determine if the combined charitable organization and its charitable agencies are in compliance with chapter 309. The commissioner shall register or not register the application of an organization within 60 days. No organization may apply to the commissioner more than once in a 12-month period. Registered combined charitable organizations shall file the report required in section 309.53. The commissioner shall notify the commissioner of finance in writing of his decision to register an organization under this section.

Sec. 3. [RULES.]

The commissioner shall promulgate rules to implement the provisions of sections 1 and 2. The rules shall not require the modification of any existing payroll deduction fund drive for state employees previously authorized by section 15.375, subdivision 1.

Sec. 4. [REPEALER.]

Minnesota Statutes 1982, section 15.375, subdivision 1, is repealed."

With the recommendation that when so amended the bill pass.

The report was adopted.

Vanasek from the Committee on Judiciary to which was referred:

H. F. No. 681, A bill for an act relating to liquor; authorizing employment of persons under 18 in establishments licensed to sell wine only; amending Minnesota Statutes 1982, section 340.14, subdivision 2.

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

The report was adopted.

Swanson from the Committee on Health and Welfare to which was referred:

H. F. No. 723, A bill for an act relating to public welfare; authorizing a prospective payment system for inpatient hospital service under the medical assistance and general assistance medical care programs; establishing an appeals board; defining "emergency services" for purposes of medical assistance outpatient services; amending Minnesota Statutes 1982, section 256B.02, subdivision 8; proposing new law coded in Minnesota Statutes, chapter 256.

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

The report was adopted.

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

H. F. No. 748, A bill for an act relating to public employment; providing rights for certain part-time employees; amending the definition of supervisory employee; authorizing recognition of legal strikes by non-members of bargaining units; specifying the relationship between collective bargaining agreements and arbitration awards and municipal charters and ordinances; amending Minnesota Statutes 1982, sections 179.63, subdivisions 7 and 9; 179.64, by adding a subdivision; 179.66, subdivision 5; 179.71, subdivision 3; and 179.72, subdivision 7.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1982, section 179.63, subdivision 7, is amended to read:

Subd. 7. "Public employee" or "employee" means any person appointed or employed by a public employer except:

- (a) elected public officials;
- (b) election officers;
- (c) commissioned or enlisted personnel of the Minnesota national guard;
- (d) emergency employees who are employed for emergency work caused by natural disaster;
- (e) part time employees whose service does not exceed the lesser of 14 hours per week or 35 percent of the normal work week in the employee's bargaining unit;

(f) employees who hold positions of a basically temporary or seasonal character for a period not in excess of (100) 67 working days in any calendar year;

The exclusions of clauses (e) and (f) shall not apply to:

(1) an employee hired by a school district to replace an absent teacher who at the time of his absence is a "public employee" not within the other exclusions of this subdivision where the replacement employee is employed more than 30 working days as a replacement for that teacher; and

(2) an employee hired by a school district for a teaching position created by increased enrollment, curriculum expansion, courses which are a part of the curriculum whether offered annually or not, or other appropriate reasons.

Employees included as "public employees" pursuant to clauses (1) and (2) shall not be included under master contracts expiring June 30, 1981, for purposes of salary or fringe benefits;

(g) employees of charitable hospitals as defined by section 179.35, subdivision 3;

(h) full time undergraduate students employed by the school which they attend under a work study program or in connection with the receipt of any financial aid, irrespective of number of hours of service per week;

(i) an individual who renders part time teaching service for less than 300 hours in a fiscal year as an instructor in an adult vocational education program.

Sec. 2. Minnesota Statutes 1982, section 179.63, subdivision 9, is amended to read:

Subd. 9. "Supervisory employee", when the reference is to other than essential employees as defined in subdivision 11,

means (ANY) a person (HAVING) who, during at least 75 percent of their typical work day, exercises authority in the interests of the employer to hire, transfer, suspend, promote, discharge, assign, reward or discipline other employees or responsibly to direct them or adjust their grievances on behalf of the employer, or to effectively recommend any of the aforesaid actions, if in connection with the foregoing the exercise of such authority is not merely routine or clerical in nature but requires the use of independent judgment. Any determination of "supervisory employee" may be appealed to the public employment relations board.

Sec. 3. Minnesota Statutes 1982, section 179.64, is amended by adding a subdivision to read:

Subd. 8. [RECOGNITION OF LEGAL STRIKE BY NON-MEMBERS OF BARGAINING UNIT.] Nothing in this section or in section 179.68, subdivision 3, shall be construed as prohibiting nonessential public employees who are not members of a bargaining unit engaged in a strike authorized under this section from respecting a picket line established by employees of the same employer engaged in an authorized strike. If the members of a bargaining unit represented by an employee union or association decide, either by vote or through their elected representatives, to collectively exercise their right under this subdivision, the union or association representing the employees will provide written notice of this decision to the employer being picketed at least 24 hours before the members of the unit begin their collective action.

Sec. 4. Minnesota Statutes 1982, section 179.66, subdivision 2, is amended to read:

Subd. 2. A public employer has an obligation to meet and negotiate in good faith with the exclusive representative of the public employees in an appropriate unit regarding grievance procedures and the terms and conditions of employment, but such obligation does not compel the public employer or its representative to agree to a proposal or require the making of a concession.

The public employer's duty under this subdivision exists notwithstanding contrary provisions in any municipal charter, ordinance, or resolution. Any provision of a municipal charter, ordinance, or resolution which limits or restricts a public employer from so negotiating or from entering into binding contracts with exclusive representatives is superceded by this subdivision.

Sec. 5. [EFFECTIVE DATE.]

Sections 1 to 4 are effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to public employment; providing rights for certain part-time employees; amending the definition of supervisory employee; authorizing recognition of legal strikes by nonmembers of bargaining units; providing that the public employer's duty to bargain supercedes all municipal charters, ordinances, or resolutions; amending Minnesota Statutes 1982, sections 179.63, subdivisions 7 and 9; 179.64, by adding a subdivision; and 179.66, subdivision 2."

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 786, A bill for an act relating to game and fish; designation of experimental and specialized fishing waters; notice of netting season; licensing fishing guides; fishing license surcharge and fees; establishing a sport fishing improvement account and joint select committee on sport fisheries; advisory committee; restricting the use of tip-ups; amending Minnesota Statutes 1982, sections 84.027, subdivision 2; 97.48, subdivision 26, and by adding a subdivision; 97.49, by adding a subdivision; 97.53, by adding a subdivision; 98.46, subdivision 5; and 101.42, subdivision 20; proposing new law coded in Minnesota Statutes, chapters 98 and 101.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1982, section 97.45, subdivision 1, is amended to read:

Subdivision 1. No person shall transport any wild animals taken, bought, sold or possessed in violation of chapters 97 to 102. *When transported, any wild animals, or any package, container, or receptacle in which they may be contained, shall be tagged, sealed, or otherwise marked as may be prescribed by law or by order which the commissioner may adopt for identification purposes.*

Sec. 2. Minnesota Statutes 1982, section 97.45, subdivision 4, is amended to read:

Subd. 4. *When not accompanying the shipment, any licensed resident may transport by common carrier to any point in the county of his residence, consigned to himself only, not more than three separate shipments of undressed birds, each of which may contain all of the birds which could lawfully be taken within the*

state on any single day, but not to contain more than a single day's limit of any species. Such resident may transport during any one open season and the next following two days, or at any time thereafter under conditions which the commissioner may prescribe, one deer, *one bear*, and one moose, which has been lawfully taken and possessed, and may transport the head or hide of such deer, *bear*, or moose for mounting or tanning purposes to a point within or without the state; but if such deer, *bear*, or moose is not transported by common carrier, the licensee must accompany such deer, *bear*, or moose, *except that after a licensed resident has transported a big game animal lawfully taken and possessed to his residence, another person may transport the big game animal to another location for processing by the most direct route, provided there shall be attached to the animal a tag marked in ink showing the name and address of the licensee and the number of the license under which it was taken.*

Sec. 3. Minnesota Statutes 1982, section 97.45, subdivision 5, is amended to read:

Subd. 5. *When not accompanying the shipment, a resident may transport by common carrier dressed or undressed fish lawfully taken and possessed by him during the open season for taking such fish, to any point within the state, consigned to himself only.*

Sec. 4. Minnesota Statutes 1982, section 97.45, subdivision 6, is amended to read:

Subd. 6. (1) *When not accompanying the shipment, a licensed nonresident may transport lawfully taken and possessed fish by common carrier to a point within or without this state in any one (SEASON) licensing year one shipment containing; (a) not more than 25 pounds of undressed fish or (b) one undressed fish of any size lawfully taken and possessed by him in this state, or (CONTAINING) (c) not more than 15 pounds of filleted or dressed game fish so taken and possessed, (IF PACKAGED AS HEREINAFTER PROVIDED. A SHIPPING COUPON DESIGNED FOR THE PURPOSES OF THIS SUBDIVISION MAY BE ISSUED FOR EACH INDIVIDUAL NON-RESIDENT FISHING LICENSE, AND TWO COUPONS FOR A COMBINATION NONRESIDENT FISHING LICENSE, SUCH COUPONS) upon obtaining a shipping permit to do so from the commissioner or his agent. The permit shall be issued upon request and without payment of a fee, and (SUCH COUPONS) the permit shall be cancelled as prescribed by the commissioner by the agent of the carrier to whom the shipment is first delivered. In the case of a nonresident combination angling license, each licensee shall be eligible for one shipping permit for each licensing year.*

(2) Such nonresident may carry with him in any vehicle or on a common carrier to any point within or without the state

dressed or undressed fish lawfully taken by him, not exceeding the limit, which he is authorized to possess within the state, provided that bullheads may be so transported either dressed or undressed, or may so carry with him filleted or dressed fish lawfully taken by him, not exceeding the possession limit nor containing more than 15 pounds, if packaged as hereinafter provided.

(3) For the purposes of the foregoing provisions of this subdivision undressed fish of any species may have the heads removed.

(4) *When a licensed nonresident does not accompany the shipment, filleted or dressed game fish may be transported by common carrier only if the container bears the name and license number of the shipper, the name of the person preparing the container for shipment, his license number as issued under section 98.46, subdivision 5, and the number and species of fish contained, and the net weight thereof.*

(5) Each licensee authorized to prepare dressed game fish for shipment shall maintain a permanent record of the name, address and license number of each licensed fisherman making such shipment, the name and address of the consignee, the number and species of fish contained in the shipment, the net weight thereof, and such records shall be available to inspection by state conservation officers at all times.

(6) Notwithstanding any law to the contrary, nonresident under the age of 16 may take fish by angling without procuring a license, if their parent or guardian has obtained (A NON-RESIDENT) *the appropriate* fishing license. Fish so taken shall be included in the daily and possession limit of the parent or legal guardian.

Sec. 5. Minnesota Statutes 1982, section 97.45, subdivision 7, is amended to read:

Subd. 7. (ANY) (1) *When not accompanying the shipment, a licensed nonresident (LICENSEE) may transport by (ANY MEANS) common carrier, consigned to himself only, to any point within or without this state, not to exceed the number of undressed game birds which he is entitled to possess at any one time, (AND) one deer, and one bear, lawfully taken and possessed within this state, and provided that (THE NONRESIDENT LICENSEE SHALL ACCOMPANY SUCH GAME BIRDS OR DEER EXCEPT WHEN THEY ARE BEING TRANSPORTED BY COMMON CARRIER.) no undressed game birds may be so transported unless a shipping permit to do so has been obtained from the commissioner or his agent in the same manner as provided in subdivision 6 for the transportation of fish.*

(2) *When accompanying a shipment, a licensed nonresident may carry with him in a vehicle or as baggage on a common*

carrier to any point within or without the state undressed game birds, one deer, one bear, or other wild game lawfully taken and possessed by him in this state.

(3) Common carriers are hereby permitted to carry such wild animals (AS BAGGAGE).

Sec. 6. Minnesota Statutes 1982, section 97.45, subdivision 12, is amended to read:

Subd. 12. All shipments of protected wild animals by common carrier, or carried as baggage, shall have attached a statement signed by the licensee showing his name, address and license number and the number and species of wild animals, *including but not limited to fish*, contained. (IF FISH ARE CONTAINED, THE STATEMENT ALSO SHALL SHOW THE NUMBER OF POUNDS THEREOF AND) The shipment shall have attached to it any tag, shipping coupon, or permit required by law or commissioner's order.

Sec. 7. Minnesota Statutes 1982, section 97.48, subdivision 8, is amended to read:

Subd. 8. The commissioner shall do all things deemed by him desirable in the preservation, protection and propagation in their natural state, and artificially, of all desirable species of wild animals. *The commissioner shall make special provisions for the management of fish and wildlife to insure quality recreational opportunities for anglers and hunters.*

Sec. 8. Minnesota Statutes 1982, section 97.48, subdivision 22, is amended to read:

Subd. 22. The commissioner shall authorize the maintenance and operation of private fish hatcheries under such rules and regulations as the commissioner shall prescribe for the raising and disposition of any fish indigenous to Minnesota waters (EXCEPT CARP). No license shall be required of any person for taking fish by angling at a licensed private fish hatchery operated in accordance with the rules and regulations of the commissioner, or from an artificial pool containing only fish purchased from a private fish hatchery, provided the operator shall furnish to each person taking such fish a written certificate in such form as the commissioner shall prescribe, giving the number and description of the fish taken and such other information as the commissioner requires, whereupon such fish may be possessed, shipped, or transported within the state in like manner as fish taken by a resident under a license. Any person making a false statement in any such certificate shall be guilty of a misdemeanor and subject to the same penalties as prescribed for violations of section 97.55, subdivision 11.

Sec. 9 Minnesota Statutes 1982, section 97.48, subdivision 26, is amended to read:

Subd. 26. The commissioner may designate all or part of any lake (WHICH DOES NOT EXCEED 2,000 ACRES OF WATER AREA) or (ANY) stream, but in aggregate not more than (15) 100 lakes (OR FIVE) and 25 streams (, NOR MORE THAN 10,000 ACRES OF WATER,) at any one time, as experimental waters and, notwithstanding any other provision of law, may establish by order the seasons, limits and methods for the taking of fish therefrom and such other regulations relating thereto as he deems desirable; provided the above may be done only on waters to which the public has free access after a public (HEARING) meeting has been held in the county where the lake or stream, or major portion thereof, is located. Notice of (SAID) the public (HEARING) meeting shall be published once in a legal newspaper within the county or counties where the lake is located not less than seven days prior to the (HEARING) meeting. *The commissioner shall establish methods and criteria for citizen initiation of experimental waters designation and for citizen participation in the evaluation of waters designated as experimental waters.*

Sec. 10. Minnesota Statutes 1982, section 97.48, is amended by adding a subdivision to read:

Subd. 26a. *The commissioner may develop a system of classification under which waters which have been designated as experimental waters pursuant to subdivision 26 and other waters intrinsically suitable therefor are classified as primarily intended for use as trophy lakes, family fishing lakes, special species management lakes, or other categories of special use designated by the commissioner.*

Sec. 11. Minnesota Statutes 1982, section 97.53, is amended by adding a subdivision to read:

Subd. 3. *In addition to the publication requirements of this section, notice of opening of the netting season on whitefish, tullibee, and herring may be given by posting the date and time in the public places deemed most appropriate by the commissioner not less than 48 hours prior to the opening of the netting season.*

Sec. 12. [97.86] [IMPROVEMENT OF FISHING RESOURCES.]

Subdivision 1. [LICENSE SURCHARGE.] *A surcharge of \$2.50 shall be added to the annual license fee for each license issued pursuant to section 98.46, subdivision 2, clauses (4) and (5), subdivision 2a, subdivision 5, clauses (1), (2), and (3), and subdivision 15. The proceeds of the surcharge shall be credited to the game and fish fund.*

The commissioner may spend the proceeds of the surcharge for the following purposes:

(a) Rehabilitation and improvement of marginal fish producing waters administered on a cost sharing basis under agreements between the commissioner and other parties interested in sport fishing.

(b) Expansion of fishing programs including, but not limited to, aeration, stocking of marginal fishing waters in urban areas, shore fishing areas, and fishing piers. In the expenditure of funds pursuant to this clause, preference shall be given to local units of government and other parties willing and able to share costs.

(c) Upgrading of fish propagation capabilities in order to improve the efficiency of fish production, expansion of walleyed pike production from waters subject to winter kill for stocking in more suitable waters, and introduction of new species where deemed biologically appropriate by the commissioner.

(d) Financing the preservation and improvement of fish habitat. First priority shall be given to expansion of habitat improvement programs approved by the commissioner and implemented in cooperation with other interested parties.

(e) Increasing enforcement through use of covert operations, workteams, and added surveillance, communication, and navigational equipment.

(f) Not more than ten percent of the money available under this subdivision may be used for administrative or permanent personnel costs.

Subd. 2. [INTERIM STUDY.] The chairmen of the house environment and natural resources committee and the senate agriculture and natural resources committee shall review issues and trends in the management and improvement of fishing resources, using information obtained by and presented to the committees by public and private agencies and organizations, and other parties interested in management and improvement of fishing resources. The committees may make recommendations to the commissioner on programs and projects for management and improvement of fishing resources.

The commissioner shall prepare an annual work plan for the expenditure of money under subdivision 1 and provide copies of the plan and any subsequent amendments to the committees and to other parties interested in management and improvement of fishing resources.

Sec. 13. Minnesota Statutes 1982, section 98.46, subdivision 5, is amended to read:

Subd. 5. Fees for the following licenses, to be issued to residents only, shall be:

- (1) To spear fish from a dark house, \$7.50;
- (2) For any fish house or dark house used during the winter fishing season, (\$3) \$5 for each fish house or dark house not rented or offered for hire, and (\$13) \$15 for each fish house or dark house rented or offered for hire. Each fish house or dark house shall have attached to the outside a metal tag at least two inches in diameter with a 3/16 inch hole in the center, which will be issued with the license. Each metal tag shall be stamped with a number to correspond with the fish house or dark house license and also shall be stamped with the year of issuance. The metal tag shall be attached to the fish house or dark house as designated by commissioner's order;
- (3) To net white fish, tullibees or herring from inland lakes or international waters, for domestic use only, for each net, \$3;
- (4) To conduct a taxidermist business, for three consecutive years for residents 18 years of age and older, \$40; for residents under the age of 18, \$25;
- (5) To maintain fur and game farms, including deer, \$15;
- (6) To take, transport, purchase and possess for sale unprocessed turtles and tortoises within the state, \$50;
- (7) To prepare dressed game fish shipments for nonresidents as provided by section 97.45, subdivision 6, as amended, \$13;
- (8) Minnow dealer, \$70 plus \$10 for each vehicle;
- (9) Minnow dealer's helper, \$5 for each helper. Minnow dealer's helpers' licenses shall be issued to the minnow dealer and are transferable by the dealer at will to his own helpers;
- (10) Exporting minnow dealer, \$250, plus \$10 for each vehicle.

Each vehicle license shall cover a specified vehicle. The serial number, license number, make, and model shall be specified on the license which must be conspicuously posted in the vehicle licensed.

Sec. 14. Minnesota Statutes 1982, section 101.42, subdivision 1a, is amended to read:

Subd. 1a. No muskellunge less than 36 inches in length may be taken in any waters north of trunk highway No. 210. *The commissioner may designate particular lakes north of trunk highway No. 210 in which muskellunge less than 36 inches but not less than 30 inches in length may be taken.*

Sec. 15. Minnesota Statutes 1982, section 101.42, subdivision 20, is amended to read:

Subd. 20. It shall be unlawful to take fish by angling with a set or unattended line except that two lines with a single hook attached to each line, used for angling through the ice, shall not be deemed an unattended line if the owner is within sight of the line. Lines to which tip-ups are attached shall not be deemed unattended if the owner is within 80 feet of the tip-up; *except that it is unlawful to use tip-ups or take fish by angling while spearing fish in a dark house.*

Sec. 16 [102.235] [NEW LICENSES PROHIBITED.]

The commissioner shall not issue any new commercial fishing license which permits netting of game fish on Lake of the Woods and Rainy Lake.

Sec. 17. Minnesota Statutes 1982, section 102.26, is amended by adding a subdivision to read:

Subd. 3a. *Beginning March 1, 1984, the commissioner shall limit the maximum poundage of walleye that may be taken by commercial fishermen in Lake of the Woods in any one season on the following schedule:*

YEAR	SEASONAL COMMERCIAL WALLEYE TAKE IN POUNDS
1984	164,000
1985	154,000
1986	144,000
1987	134,000
1988	120,000
1989	100,000
1990	80,000
1991	60,000
1992	40,000

1993	20,000
1994	0

For the 1984 license year, 150,000 pounds of walleye shall be divided equally among the ten existing gill net licenses according to order of the commissioner. Up to 14,000 pounds of walleye shall be divided among trap or pound licenses, provided that no licensee shall take more than the highest poundage harvested in any of the last three years. For 1985 and subsequent years the annual allocation of walleye poundage shall be determined by order of the commissioner.

Sec. 18. Minnesota Statutes 1982, section 102.26, is amended by adding a subdivision to read:

Subd. 3b. Beginning March 1, 1984, the commissioner shall limit the maximum poundage of walleye that may be taken by commercial fishermen in Rainy Lake in any one season on the following schedule:

YEAR	SEASONAL COMMERCIAL WALLEYE TAKE IN POUNDS
1984	14,500
1985	13,000
1986	11,500
1987	10,000
1988	8,500
1989	7,000
1990	5,500
1991	4,000
1992	2,500
1993	1,000
1994	0

For the 1984 license year and subsequent years, the seasonal commercial walleye take in pounds in Rainy Lake shall be divided among the licensees by order of the commissioner.

Sec. 19. [EFFECTIVE DATE.]

This act is effective the day following final enactment, except that section 12, subdivision 1 and section 13 are effective March 1, 1984."

Delete the title and insert:

"A bill for an act relating to game and fish; shipment and transportation of wild animals; imposing a surcharge on fishing licenses for development and improvement of state fishing resources; authorizing designation of experimental and specialized fishing waters; authorizing additional notice of netting season; licensing fishing guides; increasing certain license fees; prohibiting angling and use of tip-ups while spearing in a dark house; prohibiting issuance of new commercial game fish netting licenses; allowing designation of lakes for taking of certain muskellunge; reducing the seasonal commercial walleye take in Lake of the Woods and Rainy Lake; imposing penalties for various offenses; amending Minnesota Statutes 1982, sections 97.45, subdivisions 1, 4, 5, 6, 7, and 12; 97.48, subdivisions 8, 22, and 26, and by adding a subdivision; 97.53, by adding a subdivision; 98.46, subdivision 5; 101.42, subdivisions 1a and 20; and 102.26, by adding subdivisions; proposing new law coded in Minnesota Statutes, chapters 97 and 102."

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

The report was adopted.

Vanasek from the Committee on Judiciary to which was referred:

H. F. No. 847, A bill for an act relating to tort liability; providing for parallel exceptions for unimproved property of the state and municipalities; amending Minnesota Statutes 1982, section 466.03, by adding a subdivision.

Reported the same back with the following amendments:

Page 1, line 11, delete the comma and insert a period

Page 1, delete lines 12 to 14

Amend the title as follows:

Page 1, line 2, delete "parallel"

Page 1, line 3, delete "the state and"

With the recommendation that when so amended the bill pass.

The report was adopted.

Vanasek from the Committee on Judiciary to which was referred:

H. F. No. 873, A bill for an act relating to negligence; removing bars to actions in certain cases; amending Minnesota Statutes 1982, section 604.06.

Reported the same back with the following amendments:

Page 1, lines 11 and 12, reinstate the stricken language and delete the new language

Page 1, line 12, after "(e)," insert "*or section 352E.01, subdivision 2,*"

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

The report was adopted.

Vanasek from the Committee on Judiciary to which was referred:

H. F. No. 926, A bill for an act relating to highway traffic regulations; providing a penalty for the operation of a vehicle in a manner that endangers or is likely to endanger persons or property; amending Minnesota Statutes 1982, section 169.13, subdivision 2.

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

The report was adopted.

Swanson from the Committee on Health and Welfare to which was referred:

H. F. No. 1014, A bill for an act relating to public welfare; appropriating money for chemical dependency programs for Indians.

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

The report was adopted.

Anderson, G., from the Committee on Local and Urban Affairs to which was referred:

H. F. No. 1040, A bill for an act relating to local government; clarifying powers of municipalities and redevelopment agencies

with respect to acquisition, construction, leasing, selling, loan of funds, and issuance of revenue bonds for industrial development projects; amending Minnesota Statutes 1982, sections 474.03 and 474.06.

Reported the same back with the following amendments:

Page 8, line 7, before the period insert "*and bonds issued to refund bonds previously issued pursuant to this chapter may be issued in amounts as may be agreed by the contracting party notwithstanding the provisions of section 475.67, subdivision 3*"

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 1049, A bill for an act relating to financial institutions; authorizing the approval of applications for bank charters and detached facilities; establishing emergency procedures to prevent loss of banking services in a community as a result of a failing bank; amending Minnesota Statutes 1982, section 45.05; proposing new law coded in Minnesota Statutes, chapter 47.

Reported the same back with the following amendments:

Page 1, line 15, strike "in"

Page 1, line 16, strike "cases where" and insert "*if an*"

Page 1, line 18, strike "where the" and insert "*an*"

Page 1, line 19, delete "*where*"

Page 1, line 20, delete the first "*the*" and insert "*an*"

Page 1, line 26, delete "*Where*" and insert "*If*"

Page 2, after line 8, insert:

"Sec. 3. [EFFECTIVE DATE.]

Sections 1 and 2 are effective the day following final enactment."

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 1065, A bill for an act relating to game and fish; penalty for taking or illegally possessing big game during the closed season; shining of wild animals; amending Minnesota Statutes 1982, sections 97.55, subdivision 9; and 100.29, subdivision 10.

Reported the same back with the following amendments:

Pages 1 and 2, delete section 2, and insert:

"Sec. 2. Minnesota Statutes 1982, section 100.29, subdivision 8, is amended to read:

Subd. 8. It shall be unlawful to hunt or trap, or assist therein, in any (TERRITORY) zone open for the taking of deer with the use of firearms, during such open season, unless the visible portion of the hunter's or trapper's cap and outer garments, above the waist excluding sleeves if any and excluding gloves, shall be bright red or blaze orange or covered therewith.

Sec. 3. Minnesota Statutes 1982, section 100.29, is amended by adding a subdivision to read:

Subd. 9a. Between the hours of 10:00 p.m. and 6:00 a.m. it is unlawful to throw or cast the rays of a spotlight, headlight, or other artificial light on any highway, or in any field, woodland, or forest for the purpose of spotting, locating, or taking any wild animal except for observing bear at waste disposal sites, or taking raccoons in accordance with the provisions of subdivision 10.

It is not a violation of this subdivision for any person to carry out any normal agricultural, occupational, or recreational practice, including snowmobiling, which is not related to spotting, locating, or taking any wild animal."

Amend the title as follows:

Page 1, line 6, delete "10" and insert "8, and by adding a subdivision"

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 1074, A bill for an act relating to waste management; amending the Hazardous Waste Management Act of 1980; providing for the evaluation of bedrock disposal of hazardous waste; providing for participation by private developers and operators of waste facilities in the evaluation of hazardous waste disposal sites; creating phases of environmental impact statements; expanding the definition of hazardous waste; extending the deadlines for the adoption of certain hazardous waste rules; extending certain deadlines of the metropolitan council; clarifying the contents of environmental impact statements; providing reports to counties on permit conditions and permit application requirements for county sites; amending Minnesota Statutes 1982, sections 115.071, subdivisions 2 and 3; 115A.03, subdivision 10; 115A.05, subdivisions 2 and 3; 115A.06, subdivision 4; 115A.08, subdivisions 4, 5, and 6; 115A.10; 115A.11, subdivisions 1 and 2; 115A.21; 115A.22, subdivisions 1, 3, 4, 6, and 7; 115A.24, subdivision 1; 115A.25, subdivisions 1, 2, 3, and by adding subdivisions; 115A.26; 115A.27, subdivision 2; 115A.28, subdivisions 1, 2, and 3; 115A.30; 115A.54, subdivision 2; 115A.67; 115A.70, subdivision 3; 116.06, subdivision 13; 116.07, subdivision 4; 116.41, subdivision 1a; 473.149, subdivisions 2b, 2c, 2d, 2e, and 4; 473.153, subdivisions 2, 5, 6, 6b, and by adding a subdivision; 473.803, subdivisions 1a and 1b; 473.823, subdivision 6; 473.831, subdivision 2; 473.833, subdivisions 2a, 3, 7, and by adding a subdivision; proposing new law coded in chapter 115A; repealing Minnesota Statutes 1982, sections 115A.23; 115A.27, subdivision 1; 116.07, subdivision 4c; and 116.41, subdivision 1.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1982, section 115.071, subdivision 2, is amended to read:

Subd. 2. [CRIMINAL PENALTIES.] (a) [VIOLATIONS OF LAWS; ORDERS; PERMITS.] (1) *Except as provided in sections 2 and 3*, any person who willfully or negligently violates any provision of chapters 115 or 116, or any standard, regulation, variance, order, stipulation agreement, schedule of compliance or permit issued or adopted by the agency thereunder, which violation is not included in clause (2), shall upon conviction be guilty of a misdemeanor.

(2) Any person who willfully or negligently violates any effluent standard and limitation or water quality standard adopted by the agency, any National Pollutant Discharge Elimination System permit or any term or condition thereof, any duty to permit or carry out any recording, reporting, monitoring, sampling, information entry, access, copying, or other inspection or investigation requirement as provided under applicable provisions of this chapter and, with respect to the pollution of

waters of the state, chapter 116, or any National Pollutant Discharge Elimination System filing requirement, shall upon conviction be punished by a fine of not less than \$2,500 in the event of a willful violation or not less than \$300 in the event of a negligent violation. In any case the penalty shall not be more than \$25,000 per day of violation or by imprisonment for not more than one year, or both. If the conviction is for conduct committed after a first conviction of such person under this subdivision, punishment shall be by fine of not more than \$50,000 per day of violation, or by imprisonment for not more than two years, or both.

(b) [INFORMATION AND MONITORING.] Any person who knowingly makes any false statement, representation, or certification in any application, record, report, plan, or other document filed or required to be maintained under this chapter and, with respect to the pollution of the waters of the state, chapter 116, or standards, regulations, orders, stipulation agreements, schedule of compliance or permits pursuant hereto, or who falsifies, tampers with, or knowingly renders inaccurate any monitoring device or method required to be maintained under this chapter and, with respect to the pollution of waters of the state, chapter 116, or standards, regulations, variances, orders, stipulation agreements, schedules of compliance, or permits pursuant thereto, shall upon conviction, be punished by a fine of not more than \$10,000 per day of violation, or by imprisonment for not more than six months, or both.

(c) [DUTY OF LAW ENFORCEMENT OFFICIALS.] It shall be the duty of all county attorneys, sheriffs and other peace officers, and other officers having authority in the enforcement of the general criminal laws to take all action to the extent of their authority, respectively, that may be necessary or proper for the enforcement of said provisions, regulations, standards, orders, stipulation agreements, variances, schedule of compliance, or permits.

Sec. 2. Minnesota Statutes 1982, section 115.071, is amended by adding a subdivision to read:

Subd. 2a. [HAZARDOUS WASTE; CRIMINAL PENALTIES.] A person shall be punished by a fine of not more than \$25,000 per day of violation or by imprisonment of not more than one year, or both, upon conviction of any of the following offenses:

(a) willfully or negligently violating any provision relating to hazardous waste of chapter 115 or 116, or any standard, rule, variance, order, stipulation agreement, schedule of compliance, permit, or term or condition of a permit issued or adopted by the agency under such a provision;

(b) *willfully or negligently violating any duty to permit or carry out any recording, reporting, monitoring, sampling, information entry, access, copying or other inspection or investigation requirement as provided under any provision relating to hazardous waste of chapter 115 or 116, or any standard, rule, variance, order, stipulation agreement, schedule of compliance or permit issued or adopted by the agency under such a provision; or*

(c) *knowingly making any false material statement, representation or certification in any application, label, manifest, record, report, plan, permit or other document, or knowingly destroying, altering, or concealing any document, filed or required to be maintained with respect to hazardous waste under any provision of chapter 115 or 116, or under any standard, rule, order, stipulation agreement, schedule of compliance or permit issued or adopted by the agency under such a provision.*

If the conviction is for conduct committed after a first conviction of the person under this subdivision, punishment shall be by a fine of not more than \$50,000 per day of violation or by imprisonment of not more than two years, or both.

Sec. 3. Minnesota Statutes 1982, section 115.071, is amended by adding a subdivision to read:

Subd. 2b. [HAZARDOUS WASTE; UNLAWFUL DISPOSAL; CRIMINAL PENALTIES.] Any person who knowingly, or with reason to know, disposes of hazardous waste in a manner contrary to any provision of chapter 115 or 116, or any standard or rule adopted in accordance with those chapters relating to disposal, 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 \$25,000.

For the purposes of this subdivision, the terms defined in this clause have the meanings given them.

(a) *"Disposal" has the meaning given it in section 115A.03, subdivision 9.*

(b) *"Hazardous waste" has the meaning given it in section 116.06, subdivision 13.*

Sec. 4. Minnesota Statutes 1982, section 115.071, subdivision 3, is amended to read:

Subd. 3. [CIVIL PENALTIES.] Any person who violates any provision of chapters 115 or 116, except any provisions of chapter 116 relating to air and land pollution caused by agricultural operations which do not involve National Pollutant Discharge Elimination System permits, or of (1) any effluent

standards and limitations or water quality standards, (2) any (NATIONAL POLLUTANT DISCHARGE ELIMINATION SYSTEM) permit or term or condition thereof, (3) any National Pollutant Discharge Elimination System filing requirements, (4) any duty to permit or carry out inspection, entry or monitoring activities, or (5) any rules, (REGULATIONS,) stipulation agreements, variances, schedules of compliance, or orders issued by the agency, shall forfeit and pay to the state a penalty, in an amount to be determined by the court, of not more than \$10,000 per day of violation *except that if the violation relates to hazardous waste the person shall forfeit and pay to the state a penalty, in an amount to be determined by the court, of not more than \$25,000 per day of violation.*

In addition, in the discretion of the court, the defendant may be required to:

(a) forfeit and pay to the state a sum which will adequately compensate the state for the reasonable value of cleanup and other expenses directly resulting from unauthorized discharge of pollutants, whether or not accidental;

(b) forfeit and pay to the state an additional sum to constitute just compensation for any loss or destruction to wildlife, fish or other aquatic life and for other actual damages to the state caused by an unauthorized discharge of pollutants.

As a defense to any of said damages, the defendant may prove that the violation was caused solely by (1) an act of God, (2) an act of war, (3) negligence on the part of the state of Minnesota, or (4) an act or failure to act which constitutes sabotage or vandalism, or any combination of the foregoing clauses.

The civil penalties and damages provided for in this subdivision may be recovered by a civil action brought by the attorney general in the name of the state.

Sec. 5. Minnesota Statutes 1982, section 115A.03, subdivision 10, is amended to read:

Subd. 10. "Disposal facility" means a waste facility permitted by the agency that is designed or operated for the purpose of disposing of waste on or in the land, *together with any appurtenant facilities needed to process waste for disposal or transfer to another waste facility.*

Sec. 6. Minnesota Statutes 1982, section 115A.05, subdivision 2, is amended to read:

Subd. 2. [PERMANENT MEMBERS.] Eight of the permanent members of the board shall be appointed by the governor,

with the advice and consent of the senate, to represent diverse areas and interests within the state. One member shall be appointed from each congressional district in accordance with boundaries existing on January 1, 1980. The term of office and compensation of the eight members thus appointed, and the manner of removal and filling of vacancies, shall be as provided in section 15.0575, except that the initial term of all members shall (BE FOUR YEARS) *extend until 90 days after the board makes the decisions required by section 115A.28* and the rate of compensation shall be \$50 per day spent on board activities. The ninth permanent member of the board shall be the chairperson who shall be appointed by the governor with the advice and consent of the senate. The chairperson shall serve at the pleasure of the governor for a term coterminous with that of the governor, except that the initial term of the chairperson shall (BE FOUR YEARS) *extend until 90 days after the board makes the decisions required by section 115A.28*. The chairperson shall be the executive and operating officer of the board and shall determine the time and place of meetings, preside at meetings, appoint all board officers and hire and supervise all employees subject to the approval of the board, carry out the policy decisions of the board, and perform all other duties and functions assigned to him by the board or by law. No permanent member of the board shall hold other elected or appointed public office.

Sec. 7. Minnesota Statutes 1982, section 115A.05, subdivision 3, is amended to read:

Subd. 3. [TEMPORARY MEMBERS.] (FOR THE PURPOSES OF EACH PROJECT REVIEW CONDUCTED BY THE BOARD UNDER SECTIONS 115A.18 TO 115A.30 AND 115A.32 TO 115A.39 AND FOR THE PURPOSE OF PREPARING AND ADOPTING THE HAZARDOUS WASTE MANAGEMENT PLAN UNDER SECTION 115A.11 AND MAKING DECISIONS ON THE ELEMENTS OF THE CERTIFICATION OF NEED FOR DISPOSAL REQUIRED UNDER SECTIONS 115A.18 TO 115A.30, SIX) Local representatives shall be added to the board as temporary voting members, as provided in sections 15; 115A.22, subdivision 4 (,); and 115A.34. The provisions of section 15.0575, subdivisions 3 and 4 relating to compensation, removal, and vacancy shall apply to temporary members except that the rate of compensation shall be \$50 per day spent on board activities and that appointments by the governor to fill vacancies shall take effect in the same manner as the original appointment.

Sec. 8. Minnesota Statutes 1982, section 115A.06, subdivision 4, is amended to read:

Subd. 4. [ACQUISITION OF SITES FOR HAZARDOUS WASTE FACILITIES.] The board may direct the commissioner of administration to acquire by purchase, lease, condemnation, gift, or grant, any permanent or temporary right, title, and

interest in and to real property, including positive and negative easements and water, air, and development rights, for sites and buffer areas surrounding sites for hazardous waste facilities approved by the board pursuant to sections 115A.18 to 115A.30 and 115A.32 to 115A.39. The board may also direct the commissioner of administration to acquire by purchase, lease, gift, or grant, development rights for sites and buffer areas surrounding sites for all or part of the period that the development (MORATORIUM) limitations imposed by section 115A.21, subdivision 3, (IS) are in effect. Money for the acquisition of any real property and interest in real property pursuant to this subdivision shall come from the issuance of state waste management bonds in accordance with sections 115A.57 to 115A.59. The property shall be leased *in accordance with terms determined by the board* to the owner and operator of the hazardous waste facility located thereon at a rate sufficient to pay debt service on the bonds which provided funds used to acquire the property and to evaluate the eligibility of the property for inclusion in the inventory under section 115A.09 or candidacy under sections 115A.18 to 115A.30. Any local government unit and the commissioners of transportation, natural resources, and administration may convey or allow the use of any property for such sites and areas, subject to the rights of the holders of any bonds issued with respect thereto, with or without compensation and without an election or approval by any other government agency. Land owned by the state may be exchanged for land not owned by the state for the purpose of providing a site and buffer area for a commercial hazardous waste facility, in accordance with the provisions of section 94.341 to 94.347 and other law. The commissioner of administration may hold the property for the purposes for which it was acquired, and may lease, rent, or dispose of the property so far as not needed for such purposes, upon the terms and in the manner the commissioner deems advisable. The right to acquire lands and property rights by condemnation shall be exercised in accordance with chapter 117. The commissioner of administration may take possession of any property for which condemnation proceedings have been commenced at any time after the issuance of a court order appointing commissioners for its condemnation. Where the property is acquired through eminent domain proceedings, the land owner's compensation shall be the fair market value of the property. Where the property is acquired by means other than through eminent domain proceedings, as by direct purchase or gift, the land owner's compensation shall be determined by the agreement of the parties involved. An award of compensation in a condemnation proceeding shall not be increased or decreased by reason of any increase or decrease in the value of the property caused by its designation in the inventory of preferred areas under section 115A.09 or as a candidate site under sections 115A.18 to 115A.30 or its selection as a site or buffer area.

Sec. 9. Minnesota Statutes 1982, section 115A.08, subdivision 4, is amended to read:

Subd. 4. [REPORT ON HAZARDOUS WASTE MANAGEMENT; DRAFT MANAGEMENT PLAN AND CERTIFICATION OF NEED.] By (AUGUST 15, 1982) *November 1, 1983*, the board through its chairperson shall report to the legislative commission on hazardous waste management. The report shall include at least:

(a) an evaluation of alternative disposal facilities, disposal facility technologies, and disposal facility design and operating specifications (AND AN EXPLANATION OF THE PRELIMINARY DESIGN AND OPERATING SPECIFICATIONS FOR DISPOSAL FACILITIES SELECTED FOR CONSIDERATION UNDER SECTION 115A.23);

(b) an evaluation of prospects, strategies, and methods for developing commercial hazardous waste disposal facilities of various types, sizes, and functions;

(c) an evaluation of all feasible and prudent alternatives to disposal, including waste reduction, separation, pretreatment, processing, and resource recovery, and the potential of the alternatives to reduce the need for and practice of disposal;

(d) an evaluation of feasible and prudent disposal abatement objectives, along with a description of hazardous waste management methods and technologies, private and government actions, facilities and services, development schedules, revenue-raising measures, and levels of public and private expenditure and effort necessary to the achievement of those objectives;

(e) *an evaluation of implementation strategies, including at least:*

(1) *waste reduction, on-site processing, and off-site management by generators;*

(2) *changes and improvements in regulation, licensing, permitting, and enforcement;*

(3) *government tax and financing programs to encourage proper waste management;*

(4) *institutional alternatives, such as generator associations, cooperatives, franchises, public ownership, and flow control districts;*

(5) *promotion of private investment;*

(6) *interstate cooperation;*

(f) *an evaluation of the possibilities for negotiating long-term contracts with other states or with facilities in other states for disposal of hazardous waste from Minnesota.*

The report shall analyze the environmental, social, and economic effects of the alternatives and methods by which unavoidable adverse effects could be mitigated.

With the report the board through its chairperson shall (INCLUDE) submit a draft hazardous waste management plan, based on the analysis in the report and proposed for adoption pursuant to section 115A.11, and a draft certificate or certificates of need proposed for issuance under section 115A.24. The draft plan and certificates must include an explanation of the basis of the findings, conclusions, and recommendations contained therein.

Sec. 10. Minnesota Statutes 1982, section 115A.08, subdivision 5, is amended to read:

Subd. 5. [REPORT ON MITIGATION OF LOCAL EFFECTS OF HAZARDOUS WASTE FACILITIES.] (BY AUGUST 15, 1982) *With the report required by subdivision 4, the board through its chairperson shall report and make recommendations to the legislative commission on methods of mitigating and compensating for the local risks, costs, and other adverse effects of various types of hazardous waste facilities and on methods of financing mitigation and compensation measures. The methods of mitigating and compensating to be considered shall include but not be limited to the following: payment outside of levy limitations in lieu of taxes for all property taken off the tax rolls; preference in reviews of applications for federal funds conducted by the metropolitan council and regional development commissions; payment of all costs to service the facilities including the cost of roads, monitoring, inspection, enforcement, police and fire, and litter clean up costs; payment for buffer zone amenities and improvement; local control over buffer zone design; a guarantee against any and all liability that may occur.*

Sec. 11. Minnesota Statutes 1982, section 115A.08, subdivision 6, is amended to read:

Subd. 6. [PREPARATION OF HAZARDOUS WASTE REPORTS; PROCEDURES; PUBLIC INVOLVEMENT.] By January 1, 1981, the board through its chairperson shall submit a proposed scope of work and work program for the hazardous waste reports required by subdivisions 4 and 5 to the legislative commission for review. During the preparation of the proposed scope of work and work plan and the reports, the board and the chairperson on behalf of the board shall encourage public debate and discussion of the issues relating to the reports. (THE BOARD AND THE CHAIRPERSON ON BEHALF) *Representatives of the board, including at least one permanent member, shall meet with local officials and sponsor at least one public meeting in areas of the state affected by the inventory of preferred processing facility areas prepared pursuant to*

section 115A.09. The board and the chairperson on behalf of the board shall follow the procedures set out in section 115A.22, for consulting with citizens in areas affected by the selection of candidate sites for disposal facilities. To assist it in preparing the reports, *the plan, and the certification of need* required by subdivisions 4 (AND 5) to 5a and sections 115A.11 and 115A.24, the board through its chairperson shall make grants to each local project review committee established for a candidate site for disposal identified under sections 115A.18 to 115A.30. The grants may be used by the committee to employ staff, pay administrative expenses, or contract with affected units of government or qualified consultants. The board and the chairperson on behalf of the board shall request recommendations from the private waste management industry, the board's advisory councils, affected regional development commissions, and the metropolitan council and shall consult with them on the board's intended disposition of the recommendations. The reports of the board shall summarize the comments received and the board's response to the comments.

Sec. 12. Minnesota Statutes 1982, section 115A.10, is amended to read:

115A.10 [DUTIES OF THE BOARD; HAZARDOUS WASTE FACILITIES; ENCOURAGEMENT OF PRIVATE ENTERPRISE.]

The board and the chairperson on behalf of the board shall encourage the development and operation of hazardous waste facilities by private enterprise to the extent practicable and consistent with the purposes of sections 115A.01 to 115A.72 and the board's hazardous waste management plan adopted pursuant to section 115A.11. In preparing the reports under section 115A.08 and the inventory of processing facility sites under section 115A.09, in adopting the management plan, and in its actions and decisions under sections 115A.18 to 115A.30 and 115A.32 to 115A.39, the board and the chairperson on behalf of the board shall solicit the active participation of private waste management firms and shall so conduct its activities as to encourage private permit applications for facilities needed in the state. The board shall promulgate rules for accepting (,) and evaluating (, AND SELECTING) applications for permits for the construction and operation of facilities at sites preferred (OR SELECTED) by the board pursuant to section 115A.09 (OR SECTIONS 115A.18 TO 115A.30). The rules shall include standards and procedures for making determinations on the minimum qualifications, including technical competence and financial capability, of permit applicants. (THE RULES SHALL INCLUDE STANDARDS AND PROCEDURES FOR SOLICITING AND ACCEPTING BIDS OR PERMIT APPLICATIONS AND FOR SELECTING DEVELOPERS AND OPERATORS OF HAZARDOUS WASTE DISPOSAL FACILITIES AT SITES CHOSEN BY THE BOARD PURSUANT TO SEC-

TIONS 115A.18 TO 115A.30, WHICH SHALL INCLUDE A PREFERENCE FOR QUALIFIED PERMIT APPLICANTS WHO CONTROL A SITE CHOSEN BY THE BOARD.)

Sec. 13. Minnesota Statutes 1982, section 115A.11, subdivision 1, is amended to read:

Subdivision 1. [CONTENTS.] (BY DECEMBER 15, 1982,) The board shall adopt a hazardous waste management plan. In developing and implementing the plan, the highest priority of the board shall be placed upon alternatives to land disposal of hazardous wastes including: technologies to modify industrial processes or introduce new processes which will reduce or eliminate hazardous waste generation; recycling, re-use, and recovery methods to reduce or eliminate hazardous waste disposal; and conversion and treatment technologies to reduce the degree of environmental risk from hazardous waste. The board shall also consider technologies for retrievable storage of hazardous wastes for later recycling, re-use, recovery, conversion, or treatment.

The plan shall include at least the following elements:

(a) an estimate of the types and volumes of hazardous waste which will be generated in the state through the year 2000;

(b) specific and quantifiable objectives for reducing to the greatest feasible and prudent extent the need for and practice of disposal, through waste reduction, pretreatment, retrievable storage, processing, and resource recovery;

(c) a description of the minimum disposal capacity and capability needed to be developed within the state for use through the year 2000, based on the achievement of the objectives under clause (b);

(d) a description of implementation strategies required to develop the needed disposal capacity under clause (c) and to achieve the objectives under clause (b), including: the necessary private and government actions; development schedules for facilities, services, and regulations; revenue-raising and financing measures; levels of public and private effort and expenditure; legal and institutional changes; and other similar matters.

The plan shall provide for the orderly development of hazardous waste management sites and facilities to protect the health and safety of rural and urban communities. In preparing the plan the board shall consider its impact upon agriculture and natural resources.

The plan shall require the establishment in the state of at least one commercial retrievable storage or disposal facility and shall

recommend and encourage methods and procedures, that will insure the establishment of at least one facility for the recycling, re-use, recovery, conversion, treatment, destruction, transfer, or storage of hazardous waste. The board may make the implementation of elements of the plan contingent on actions of the legislature which have been recommended in the draft plan and certification of need and considered in the reports submitted pursuant to section 115A.08.

Sec. 14. Minnesota Statutes 1982, section 115A.11, subdivision 2, is amended to read:

Subd. 2. [PROCEDURE.] The plan shall be based upon the reports prepared pursuant to section 115A.08. The plan, the certificate of need issued under section 115A.24, and the procedures for hearings on the draft plan and draft certificate of need, shall not be subject to the rule-making or contested case provisions of chapter 14. *By July 1, 1983, the chairman of the board shall report to the legislative commission on waste management about the hearing to be held pursuant to this subdivision. The chairman shall describe the board's plans and procedures for the hearing, the provisions for encouraging public participation in the hearing, and the board's plans for preparing the required report to the legislature fully and accurately summarizing the results of the hearing, the objections raised to the board's draft plan and certification, and the board's response to the testimony received. The legislative commission shall hold a hearing to receive public comment on the board's proposed hearing procedures and thereafter shall make any recommendations it deems appropriate for changes in the board's procedures. Within 30 days following the submission of the report on hazardous management required under section 115A.08, subdivision 4, the board shall hold a public hearing on the draft plan and draft certificate or certificates of need (CONTAINED IN) submitted with the report. Notices of the draft plan and the draft certificate or certificates and notice of the hearing shall be published in the state register and newspapers of general circulation in the state. The notices must indicate how copies of the draft plan and draft certificate or certificates of need may be obtained. The board shall make the draft plan and draft certificate or certificates of need available for public review and comment at least 21 days before the hearing. The hearing shall be ordered by the chairperson of the board and shall be conducted by the state office of administrative hearings in a manner consistent with the completion of the proceedings in the time allowed by this section. The hearing officer shall not issue a report but shall preside at the hearing to ensure that the hearing is conducted in a fair, orderly, and expeditious manner and in accordance with the hearing procedures of the board. A majority of the permanent members of the board shall attend the hearing. In connection with the hearing, the chairperson of the board shall provide copies of the studies and reports on which the draft plan and certification of need are based and shall (MAKE AN AFFIRMATIVE PRESENTATION SHOWING THE NEED FOR AND REASONABLE-*

NESS OF THE DRAFT PLAN AND CERTIFICATION OF NEED) *present an explanation of the basis of the findings, conclusions, and recommendations in the draft plan and certification of need.* Following the hearing, the board shall revise the plan and the certificate or certificates of need as it deems appropriate, shall make a written response to the testimony received at the hearing explaining its disposition of any recommendations made with respect to the plan and certification, and shall finally adopt a plan in accordance with this section and issue a certificate or certificates of need in accordance with section 115A.24.

Sec. 15. [115A.201] [BEDROCK DISPOSAL.]

Subdivision 1. [EVALUATION OF TECHNOLOGY; STUDY AREAS.] The board shall evaluate the feasibility of bedrock disposal of hazardous waste. If the board determines that bedrock disposal is or may be a feasible disposal technology, the board shall identify bedrock study areas of up to four square miles in size for further evaluation.

Subd. 2. [PARTICIPATION BY AFFECTED LOCALITIES.] A plan review committee shall be established for each study area and a temporary board member shall be appointed as provided in this subdivision, to participate in the plan and certification of need to be submitted to the commission under section 115A.08, subdivision 4 and adopted under sections 115A.11 and 115A.24. Within 30 days following the identification of a bedrock study area by the board, the governor shall appoint the chair and members of a plan review committee, ensuring a balanced representation of all parties with a legitimate and direct interest in the review of the plan and certification of need. The plan review committee shall be eligible for technical assistance and grants pursuant to section 115A.08, subdivision 6, to assist it in participating in the plan and certification of need. Within 30 days following the appointment of a plan review committee, the committee shall select a temporary board member to be added to the board. Temporary board members may be members of the local plan review committee, and they shall be residents of the county in which the study area is primarily located. Temporary board members shall serve for terms lasting so long as the location the member represents is a study area. Temporary board members shall not participate or vote in decisions affecting the selection and certification of sites under this section and section 115A.21.

Subd. 3. [CANDIDATE SITES.] If the board determines that candidate sites are to be selected in the bedrock study areas, the candidate sites must be proposed and selected as provided in section 115A.21, subdivisions 1 and 2a.

Sec. 16. Minnesota Statutes 1982, section 115A.21, is amended to read:

115A.21 [CANDIDATE SITES.]

Subdivision 1. [SELECTION.] (BY MARCH 15, 1982,) The board shall select (SIX) *at least four* locations in the state, no more than one site per county, as candidate sites for commercial disposal facilities for hazardous waste. *Candidate sites selected by the board before February 1, 1983, and additional candidate sites selected pursuant to this section, must be reviewed pursuant to sections 115A.22 to 115A.30.* No location shall be selected as a candidate site unless the agency certifies its intrinsic suitability for the use intended *pursuant to subdivision 2a.*

Subd. 2. [SEARCH PROCEDURE.] The board shall consult with the agency and the private waste management industry in selecting candidate sites. Any sites proposed in applications for permits for disposal facilities being reviewed by the agency may be included by the board as candidate sites, provided the agency certifies the intrinsic suitability of the sites. The agency shall suspend its review of any permit application being reviewed by the board for inclusion as a candidate site until the site is eliminated from consideration as a candidate site.

(SUBD. 2. [PROCEDURE.]) As soon as practicable, the board through its chairperson shall publish a request soliciting proposals and permit applications for hazardous waste disposal facilities from potential developers and operators of such facilities. Notice of the request shall be published in the state register and newspapers of general circulation in the state and shall be transmitted to all regional development commissions, the metropolitan council, and all counties in the state. The board may select conceptual design and operating specifications for a variety of hazardous waste disposal facilities in sufficient detail and extent in the judgment of the board to assist the evaluation of sites and the selection of candidate sites. By November 1, 1980, the board through its chairperson shall notify each regional development commission, or the metropolitan council, and each local government unit within whose jurisdiction the board intends to search for candidate sites. The notification shall explain the selection of the jurisdiction as a search area; shall summarize any conceptual specifications and the evaluation factors, criteria, standards, and procedures the board intends to use in selecting candidate sites; and shall describe the relationship of the candidate site selection process to the other review procedures under sections 115A.18 to 115A.30 and the hazardous waste reports and plans required under sections 115A.04 to 115A.15. The notification shall request recommendations and suggestions from each such commission, the metropolitan council, and local government unit on the criteria, standards, and procedures the board should use in selecting candidate sites within the time allowed. The board through its chairperson shall make a written response to any recommendations, explaining its disposition of the recommendations. *No action of the board*

may be held invalid by reason of the board's failure to notify any of the entities listed in this subdivision.

Subd. 2a. [INTRINSIC SUITABILITY CERTIFICATION.] The board shall provide to the agency data relating to the intrinsic suitability of (THE SITES) *a site* to be proposed as a candidate (SITES) *site* as soon as available (BUT NO LATER THAN NOVEMBER 1, 1981. BY NOVEMBER 15, 1981, THE BOARD SHALL PROPOSE AT LEAST SIX LOCATIONS AS CANDIDATE SITES, AND). The director of the agency shall issue (A) notice indicating (WHICH OF THOSE SITES) *whether* the director recommends *that the proposed sites should be certified as intrinsically suitable.* The board through its chairperson and the director shall publish notice of hearings on the board's proposal and the director's recommendations. Notice shall be published in the state register and newspapers of general circulation in the state and shall be sent by mail to all regional development commissions, or the metropolitan council, and to local government units containing a proposed candidate site. The hearings shall be conducted by the state office of administrative hearings in a manner consistent with the completion of the proceedings and the hearing examiner's report to the agency and board in the time allowed by this section. The hearing shall afford all interested persons an opportunity to testify and present evidence on the subject of the hearing. The subject of the hearing shall be limited to information submitted by the board and additional information on the proposed sites which is relevant to the board's decision on candidate sites and the agency's decision on intrinsic suitability. The rulemaking and contested case procedures of chapter 14 shall not apply to this hearing. The hearing examiner may consolidate hearings. The report of the hearing examiner shall contain findings of fact, conclusions, and recommendations on the subject of the hearing. The agency shall make a final determination as to the intrinsic suitability of each proposed site and shall certify sites accordingly (BY MARCH 1, 1982). No action of the board or agency (SHALL) *may be held invalid by reason of the board's or agency's failure to notify any of the entities listed in this subdivision.*

Subd. 3. [(MORATORIUM) DEVELOPMENT LIMITATIONS.] In order to permit the comparative evaluation of sites and buffer areas and the participation of affected localities in decisions about the use of sites and buffer areas, (A MORATORIUM IS HEREBY IMPOSED AS PROVIDED IN THIS SUBDIVISION ON ALL DEVELOPMENT WITHIN EACH PROPOSED OR CANDIDATE SITE IDENTIFIED PURSUANT TO THIS SECTION) *development in each candidate site and in a buffer area identified by the board surrounding and at least equal in area to the site shall be limited to development consistent with the development plans, land use classifications, and zoning and other official controls applying to the property on February 1, 1983. No development inconsistent with the plans, use classification, controls, and zoning requirements; no transfers or change of use of public land; and no conditional uses may*

be permitted. The (MORATORIUM ON CANDIDATE SITES AND BUFFER AREAS) *development limitations* shall extend until (THE BOARD CHOOSES A FINAL CANDIDATE SITE OR FINAL CANDIDATE SITES PURSUANT TO THIS ARTICLE. THE MORATORIUM ON THE FINAL SITES AND BUFFER AREAS SHALL EXTEND UNTIL) six months following final action of the board pursuant to (SECTIONS 115A.18 TO 115A.30. NO DEVELOPMENT SHALL BE ALLOWED TO OCCUR WITHIN A PROPOSED SITE OR BUFFER AREA DURING THE PERIOD OF THE MORATORIUM WITHOUT THE APPROVAL OF THE BOARD) *section 115A.28.* No *plan, land use classification, official control, or zoning* of any political subdivision shall permit or be amended to permit development (WHICH HAS NOT BEEN APPROVED BY THE BOARD) *inconsistent with the requirements of this section,* nor shall any political subdivision sanction or approve any subdivision, permit, license, or other authorization which would allow development (TO OCCUR WHICH HAS NOT BEEN APPROVED BY THE BOARD. THE BOARD SHALL NOT APPROVE ACTIONS WHICH WOULD JEOPARDIZE THE AVAILABILITY OF A CANDIDATE SITE FOR USE AS A HAZARDOUS WASTE FACILITY. THE BOARD MAY ESTABLISH GUIDELINES FOR REVIEWING REQUESTS FOR APPROVAL UNDER THIS SUBDIVISION. THE GUIDELINES SHALL NOT BE SUBJECT TO THE RULE-MAKING PROVISIONS OF CHAPTER 14. REQUESTS FOR APPROVAL SHALL BE SUBMITTED IN WRITING TO THE CHAIRPERSON OF THE BOARD AND SHALL BE DEEMED TO BE APPROVED BY THE BOARD UNLESS THE CHAIRPERSON OTHERWISE NOTIFIES THE SUBMITTER IN WRITING WITHIN 15 DAYS) *inconsistent with the requirements of this section.*

Sec. 17. Minnesota Statutes 1982, section 115A.22, subdivision 1, is amended to read:

Subdivision 1. [GENERAL.] In order systematically to involve those who would be affected most directly by disposal facilities in all decisions leading to their establishment, the board's decisions on reports referred to in subdivision 7, the (PRELIMINARY SPECIFICATIONS) *plan adopted* under section (115A.23) 115A.11, and the certification of need required under section 115A.24 shall not be made until after the establishment of local project review committees for each candidate site, with representation on the board, pursuant to this section.

Sec. 18. Minnesota Statutes 1982, section 115A.22, subdivision 3, is amended to read:

Subd. 3. [MEMBERSHIP ON LOCAL COMMITTEES.] (BY APRIL 15, 1982) *Within 60 days following the selection of a candidate site under section 115A.21,* the governor shall appoint the chairperson and members of (EACH) *the* local project

review committee, ensuring a balanced representation of all parties with a legitimate and direct interest in the outcome of the project review. The governor shall consult particularly with affected local units of government before selecting members. Members may be added to the local committee from time to time by the governor.

Sec. 19. Minnesota Statutes 1982, section 115A.22, subdivision 4, is amended to read:

Subd. 4. [APPOINTMENT OF TEMPORARY BOARD MEMBERS.] (BY MAY 15, 1982, EACH) *Within 30 days following the appointment of a local project review committee, the local committee shall select a temporary board member to be added to the board for the purposes of the reports (,) to be adopted under section 115A.08, the plan to be adopted under section 115A.11, and the need certifications (,) and review of candidate sites conducted under sections 115A.18 to 115A.30. Temporary board members shall not participate or vote in decisions affecting the selection and certification of sites under sections 15 and 115A.21. If a local committee fails to appoint a temporary board member within (45 DAYS AFTER THE APPOINTMENT OF THE COMMITTEE) the time permitted by this subdivision, the governor shall appoint a temporary board member to represent the committee on the board. Temporary board members may be members of the local project review committee, and they shall be residents of the county where the candidate site is located. Temporary board members shall serve for terms lasting (UNTIL THE BOARD HAS TAKEN FINAL ACTION PURSUANT TO SECTION 115A.28 AND) as long as the location the member represents is a candidate site or, in the case of members representing the site or sites finally chosen for the facility, until the commencement of the operation of the facility at that site.*

Sec. 20. Minnesota Statutes 1982, section 115A.22, subdivision 6, is amended to read:

Subd. 6. [TECHNICAL ASSISTANCE; GRANTS.] To assist local project review committees to participate in the (CERTIFICATION OF NEED AND THE REVIEW PROCESS) *preparation of environmental impact statements and permit applications, the board through its chairperson shall make grants to the committees to be used to employ staff, pay administrative expenses, or contract with affected units of government or qualified consultants. The board through its chairperson shall ensure the delivery to the committees of technical information and assistance by appropriate state agencies.*

Sec. 21. Minnesota Statutes 1982, section 115A.22, subdivision 7, is amended to read:

Subd. 7. [HAZARDOUS WASTE MANAGEMENT REPORTS.] The chairperson and the board shall prepare and submit the hazardous waste management reports required by section 115A.08, subdivisions 4 (AND 5) to 5a, in consultation with the local project review committees. The chairperson and the board shall request recommendations from the local committees and shall consult with the committees on the board's intended disposition of the recommendations. The reports of the board shall summarize the recommendations of the committees and the board's response to the recommendations. Before submitting the reports, the board shall hold at least one public meeting in each county in which a candidate site is located. A majority of the permanent members shall be present at each meeting. Notice of the meeting shall be published in a newspaper or newspapers of general circulation in the area for two successive weeks ending at least 15 days before the date of the meeting. The notice shall describe the proposed facilities, the proposed location, the purpose of the board's report to the legislature, and the subsequent and related activities of the board.

Sec. 22. Minnesota Statutes 1982, section 115A.24, subdivision 1, is amended to read:

Subdivision 1. [CERTIFICATE.] Except as provided in subdivision 2, (BY DECEMBER 15, 1982,) on the basis of and consistent with its hazardous waste management plan adopted under section 115A.11, the board shall issue a certificate or certificates of need for disposal facilities for hazardous wastes in the state. The certificate or certificates shall indicate the types and volumes of waste for which disposal facilities are and will be needed through the year 2000 and the number, types, (SIZES, GENERAL DESIGN AND OPERATING SPECIFICATIONS) capacity, and function or use of the disposal facilities needed in the state. *The board shall not certify need for disposal of hazardous wastes until after the agency promulgates rules pursuant to section 116.41, subdivision 1a. The board shall not certify need for disposal of wastes which are prohibited from disposal by agency rule.* The board shall certify need only to the extent that the board has determined that there are no feasible and prudent alternatives including waste reduction, separation, pretreatment, processing, and resource recovery which would minimize adverse impact upon natural resources; provided that the board shall require the establishment of at least one commercial disposal facility in the state. Economic considerations alone shall not justify certification nor the rejection of alternatives. Alternatives that are speculative and conjectural shall not be deemed to be feasible and prudent. The board shall consider all technologies being developed in other countries as well as in the United States when it considers the alternatives to hazardous waste disposal. The certificate or certificates shall not be subject to the provisions of chapter 14 but shall be the final determination required on the matters decided by the certificate or certificates and shall have the force and effect of law. The certificate or certificates shall not be amended for five years *except as*

provided in section 34. (THE BOARD AND THE PERMITTING AGENCIES,) In reviewing and selecting sites, completing and determining the adequacy of environmental impact statements, and issuing approvals and permits for waste disposal facilities described in the certificate or certificates of need, (SHALL NOT RECONSIDER) matters determined in the certification shall not be reconsidered except as otherwise provided in section 34. The board and the permitting agencies shall be required to make a final decision approving the establishment of facilities consistent with the certification (THE BOARD AND THE PERMITTING AGENCIES SHALL BE REQUIRED TO MAKE A FINAL DECISION APPROVING THE ESTABLISHMENT OF AT LEAST ONE COMMERCIAL DISPOSAL FACILITY FOR HAZARDOUS WASTE IN THE STATE) except as otherwise provided in section 34.

Sec. 23. [115A.241] [PARTICIPATION BY FACILITY DEVELOPERS AND OPERATORS.]

The board shall solicit the participation of private developers and operators of waste facilities in the evaluation of hazardous waste disposal sites and facility specifications. To qualify for consideration as a developer or operator, a person shall submit a letter of intent to the board within 90 days following the publication of the board's draft plan pursuant to section 115A.08, subdivision 4. To qualify for selection as a developer or operator, a person shall submit operability reports to the board at least 60 days before the board's hearings under section 115A.27. The letters of intent and reports shall be in the form and contain the information deemed appropriate by the board.

Sec. 24. Minnesota Statutes 1982, section 115A.25, subdivision 1, is amended to read:

115A.25 [(AGENCY;) ENVIRONMENTAL REVIEW PROCEDURES.]

Subdivision 1. [ENVIRONMENTAL IMPACT STATEMENT.] (AN) A phased environmental impact statement (MEETING THE REQUIREMENTS OF CHAPTER 116D) shall be completed by the board and the agency (ON DISPOSAL FACILITIES AT EACH CANDIDATE SITE. THE STATEMENT SHALL BE FINALLY ACCEPTED OR REJECTED WITHIN 120 DAYS FOLLOWING THE ISSUANCE OF A CERTIFICATE OR CERTIFICATES OF NEED UNDER SECTION 115A.24). The statement must be prepared and reviewed in accordance with chapter 116D and the rules issued pursuant thereto, except as otherwise required by this section and sections 115A.11, 115A.24, 115A.28, and 115A.30. The board and agency shall follow the procedures in subdivisions 2 and 3 in lieu of the scoping requirements of chapter 116D and rules issued

pursuant thereto. The statement shall be completed in two phases as provided in sections 25 and 26.

Sec. 25. Minnesota Statutes 1982, section 115A.25, is amended by adding a subdivision to read:

Subd. 1a. [PHASE I.] Phase I of the statement shall be completed by the board on the environmental effects of the board's decision on sites and facility specifications under section 115A.28. Phase I of the statement shall not address or reconsider alternative sites or facility numbers, types, capacity, function, and use which have been eliminated from consideration by the board's decisions under sections 115A.21 and 115A.24. The determination of the adequacy of phase I of the statement is exclusively the authority of the board. The governor shall establish an interagency advisory group to comment on the scope of phase I of the statement, to review drafts, and to provide technical assistance in the preparation and review of phase I of the statement. The advisory group shall include representatives of the agency, the departments of natural resources, health, agriculture, energy, planning and development, and transportation, and the Minnesota geological survey. In order to obtain the staff assistance necessary to prepare the statement, the chairperson of the board may request reassignment of personnel pursuant to section 16.21 and may arrange to have other agencies prepare parts of the statement pursuant to section 16.135.

Sec. 26. Minnesota Statutes 1982, section 115A.25, is amended by adding a subdivision to read:

Subd. 1b. [PHASE II.] Phase II of the statement shall be completed by the agency as a supplement to phase I specifically for the purpose of examining the environmental effects of the permitting decisions required to be made by the permitting agencies under section 34. In preparing, reviewing, and determining the adequacy of phase II of the statement, the agency shall not repeat or duplicate the research and analysis contained in phase I of the statement, except as the agency determines is necessary to examine the environmental effects of the permitting decisions. Phase II of the statement shall not address or reconsider alternative sites and facility numbers, types, capacity, function, and use which have been eliminated from consideration by the board's decisions under sections 115A.21, 115A.24, and 115A.28. The determination of adequacy of phase II of the statement must be made by the agency within 180 days following submission of the preliminary permit application or applications under section 34. The determination of the adequacy of phase II of the statement is exclusively the authority of the agency.

Sec. 27. Minnesota Statutes 1982, section 115A.25, subdivision 2, is amended to read:

Subd. 2. [PUBLIC DISCLOSURE.] Before commencing preparation of a *phase* of the environmental impact statement, the *board or agency* shall issue a document summarizing and making full disclosure of the intended objectives and contents of the environmental impact statement and the environmental review. Announcement of the disclosure shall be published in the state register, *the environmental quality board monitor*, and *appropriate newspapers of general distribution*. The disclosure shall:

- (a) identify the candidate sites;
- (b) summarize (PRELIMINARY DESIGN AND OPERATING) *facility* specifications and indicate where and when the specifications are available for inspection;
- (c) describe as fully as possible the object of the review, including the significant actions, issues, alternatives, types of impacts, and compensation and mitigation measures expected to be addressed in the statement; the depth of the analysis expected; and subjects which the statement will not address in depth because they have been disposed of previously or because they are believed to be insignificant or remote and speculative;
- (d) identify, by reference and brief summary, any related planning activities and environmental reviews which have been, are being, or will be conducted, and the substantive, chronological, and procedural relationship between the proposed review and the other activities and reviews;
- (e) identify the membership and address of the local project review committees and the names of the local representatives on the board;
- (f) summarize the comments and suggestions received from the public pursuant to subdivision 3 and the *board's or agency's* response.

Sec. 28. Minnesota Statutes 1982, section 115A.25, subdivision 3, is amended to read:

Subd. 3. [PUBLIC PARTICIPATION PROCEDURES.] The public disclosure document shall be issued following diligent effort to involve the public in determining the objective and contents of the environmental impact statement. At least one public meeting shall be held in each county with a candidate site. The advice of the board, facility developers, state agencies, the local project review committees, and local units of government shall be actively solicited. The *board or agency* may engage the state hearing examiner to conduct meetings and make recommendations concerning the review. Each local project review committee shall present to the *board or agency* a written report summariz-

ing local concerns and attitudes about the proposed action and the specific issues which the local communities and residents wish to see addressed in the environmental review.

Sec. 29. Minnesota Statutes 1982, section 115A.26, is amended to read:

115A.26 [AGENCIES; REPORT ON PERMIT CONDITIONS AND APPLICATION REQUIREMENTS.]

Within (60) 30 days following the board's determination of the adequacy of (THE FINAL) phase I of the environmental impact statement, and after consulting with the board, facility developers, affected local government units, and the local project review committees, the chief executive officer of each permitting state agency shall issue (A NOTICE OF INTENT TO ISSUE PERMITS INDICATING,) to the board draft reports on permit conditions and permit application requirements at each candidate site. The reports must indicate, to the extent possible based on existing information, the probable terms, conditions, and requirements of (AGENCY APPROVAL FOR ALL PERMITS NEEDED AT EACH CANDIDATE SITE FOR THE ESTABLISHMENT OF THE FACILITIES DESCRIBED IN THE BOARD'S CERTIFICATION OF NEED) permits and the probable supplementary documentation that will be required for phase II of the environmental impact statement under section 115A.25 and for permit applications under section 34. The reports may be revised following the hearings under section 115A.27 as the chief executive officer deems necessary. The (AGENCY DECISIONS SHALL) reports must be consistent with the establishment of facilities in accordance with the certification of need.

Sec. 30. Minnesota Statutes 1982, section 115A.27, subdivision 2, is amended to read:

Subd. 2. [BOARD HEARINGS.] Within (90) 120 days following the (ISSUANCE OF AGENCY NOTICE OF INTENT UNDER SECTION 115A.26) board's determination of the adequacy of phase I of the environmental impact statement under section 115A.25, the board shall conduct a hearing in each county containing a candidate site, for the purpose of receiving testimony on the (SITES AND FACILITIES TO BE ESTABLISHED) decisions required under section 115A.28. The hearings shall be ordered by the chairperson of the board (AND SHALL BE CONDUCTED CONCURRENTLY WITH ANY AGENCY HEARING REGARDING THE SITE HELD PURSUANT TO SUBDIVISION 1). The subject of the board hearing shall not extend to matters previously decided in the board's decision on sites under section 115A.21 and the certificate of need issued under section 115A.24. The hearing shall be conducted for the board by the state office of administrative hearings in a manner (DETERMINED BY THE HEARING EXAMINER

TO BE) consistent with the completion of the proceedings in the time allowed. The proceedings (SHALL) *and the hearing procedures are not* (BE DEEMED A) *subject to the rule-making or contested case (UNDER) provisions of chapter 14. The hearing officer shall not issue a report but shall preside at the hearings to ensure that the hearings are conducted in a fair, orderly, and expeditious manner and in accordance with the hearing procedures of the board. A majority of the permanent members of the board shall be present at the hearing.*

Sec. 31. Minnesota Statutes 1982, section 115A.28, subdivision 1, is amended to read:

115A.28 [FINAL (ACTION) DECISION.]

Subdivision 1. [DECISION OF BOARD.] Within 60 days following (FINAL AGENCY DECISIONS ON PERMITS PURSUANT TO SECTIONS 115A.26 AND 115A.27, SUBDIVISION 1) *the conclusion of the hearings under section 115A.27, subdivision 2, and after consulting with private facility developers, the (AGENCY) permitting agencies, affected local government units, and the local project review committees, the board shall finally select the site or sites for the facilities (AND SHALL SUBMIT OR CAUSE TO BE SUBMITTED FINAL PERMIT APPLICATIONS) and the developer and operator of the facility shall prescribe further specifications on the number, type, capacity, function, and use of the facilities as the board deems appropriate, consistent with the board's certification of need issued under section 115A.24. If the chairperson of the board determines that an agency (NOTICE OF INTENT) report on permit conditions and application requirements has been substantially revised following hearings held pursuant to section 115A.27, subdivision (1) 2, the chairperson (SHALL) may delay the decision for 30 days and may order a public hearing to receive further testimony on the sites and facilities to be established. The proceeding shall be conducted as provided in section 115A.27, subdivision 2, except that hearings shall not be separately held in the affected counties and the issues relating to all agency (NOTICES) reports shall be considered at one hearing. (THE BOARD'S DECISION AND FINAL PERMIT APPLICATIONS SHALL EMBODY ALL TERMS, CONDITIONS, AND REQUIREMENTS OF THE PERMITTING AGENCIES, PROVIDED THAT THE BOARD MAY: (A) FINALLY RESOLVE ANY CONFLICTS BETWEEN STATE AGENCIES REGARDING PERMIT TERMS, CONDITIONS, AND REQUIREMENTS, AND (B) REQUIRE MORE STRINGENT TERMS, CONDITIONS, AND REQUIREMENTS RESPECTING THE FACILITY AS MAY BE CONSISTENT WITH THE CERTIFICATION OF NEED AND THE AGENCY RULES AND PERMIT CONDITIONS. THE BOARD'S RESOLUTION OF CONFLICTS UNDER CLAUSE (A) SHALL BE IN FAVOR OF THE MORE STRINGENT TERMS, CONDITIONS, AND REQUIREMENTS.)* The board's decision (AND THE PERMIT

APPLICATIONS) shall provide for the establishment of facilities consistent with the board's certification of need.

Sec. 32. Minnesota Statutes 1982, section 115A.28, subdivision 2, is amended to read:

Subd. 2. [BOARD'S DECISION PARAMOUNT.] The board's decision under subdivision 1 shall be final and shall supersede and preempt requirements of state agencies and political subdivisions and the requirements of sections 473H.02 to 473H.17; except that a facility established pursuant to the decision shall be subject to (THOSE) terms, conditions, and requirements *in permits of state or federal permitting agencies (EMBODIED IN THE BOARD'S DECISION), the terms of lease determined by the board under section 115A.06, subdivision 4,* and any requirements imposed pursuant to subdivision 3. (THE PERMITTING AGENCIES SHALL ISSUE PERMITS WITHIN 60 DAYS FOLLOWING AND IN ACCORDANCE WITH THE BOARD'S FINAL DECISION, AND ALL PERMITS SHALL CONFORM TO THE TERMS, CONDITIONS, AND REQUIREMENTS OF THE BOARD'S DECISION.) *Except as otherwise provided in this section,* no charter provision, ordinance, regulation, permit, or other requirement of any state agency or political subdivision shall prevent or restrict the establishment, operation, expansion, continuance, or closure of a facility in accordance with the final decision *and leases of the board and permits issued (PURSUANT THERETO) by state or federal permitting agencies.*

Sec. 33. Minnesota Statutes 1982, section 115A.28, subdivision 3, is amended to read:

Subd. 3. [LOCAL REQUIREMENTS.] A political subdivision may impose reasonable requirements respecting the construction, inspection, operation, monitoring, and maintenance of a facility. Any such requirements shall be subject to review by the (AGENCY) board to determine their reasonableness and consistency with the establishment and use of a facility in accordance with the final decision *and lease of the board and by the agency to determine their reasonableness and consistency with permits (ISSUED PURSUANT THERETO) of state and federal permitting agencies.* The board or agency may approve, disapprove, suspend, modify, or reverse any such requirements. The decision of the board or agency shall be final.

Sec. 34. [115A.291] [PERMITS.]

Research and analysis necessary to the permit applications and permit decisions required under this chapter, and the supporting environmental study, must commence immediately following the board's decision under section 115A.28. Within 180 days following its final decision under section 115A.28, the board shall submit or cause to be submitted a preliminary ap-

plication for permits for a facility or facilities consistent with its decision under section 115A.28. Following review by the permitting agencies and within 60 days following the agency's determination of the adequacy of phase II of the environmental impact statement, the board shall revise the application, or cause it to be revised, in accordance with the recommendations of the permitting agencies. In preparing its revised permit application, the board may amend its certification of need issued under section 115A.24 or its facility specifications under section 115A.28; if the board finds and determines, based upon the recommendations of the permitting agencies, that: (a) the amendments are necessary to secure permits for the construction and operation of the proposed facility at the proposed site, and (b) the recommendations and amendments are the result of new information or rules produced after the board's decisions under sections 115A.24 and 115A.28. Within 210 days following the submission of the revised permit application, the permitting agencies shall issue the necessary permits unless the pollution control agency determines that the facility or facilities proposed for permitting present environmental problems which cannot be addressed through the imposition of permit conditions.

Sec. 35. Minnesota Statutes 1982, section 115A.30, is amended to read:

115A.30 [JUDICIAL REVIEW.]

Any civil action maintained by or against the agency or board under sections 115A.18 to 115A.30 shall be brought in the county where the board is located and shall take precedence over all other matters of a civil nature and be expedited to the maximum extent possible. Any person aggrieved by a (FINAL) decision of the board (AUTHORIZING FACILITIES) or an agency under sections 115A.18 to 115A.30 may appeal therefrom (WITHIN 30 DAYS) as provided in chapter 14 *within 30 days following all final decisions on the issuance of permits.* No civil action shall be maintained pursuant to section 116B.03 with respect to conduct taken by a person pursuant to any environmental quality standard, limitation, regulation, rule, order, license, stipulation agreement or permit issued by the board under sections 115A.18 to 115A.30. Notwithstanding any provision of chapter 116B to the contrary, in any action brought under that chapter with respect to any decision or conduct undertaken by any person or the board or agency pursuant to sections 115A.18 to 115A.30 after the period for appeal under this section has lapsed, the plaintiff shall have the burden of proving that the evidence required under section 116B.10 was not reasonably available within the time provided for appeal. The trial court shall, upon motion of any prevailing non-governmental party, award costs, disbursements, reasonable attorney's fees, and reasonable expert witness fees, if the court finds the action hereunder was commenced or defended in bad faith or was frivolous.

Sec. 36. Minnesota Statutes 1982, section 115A.54, subdivision 2, is amended to read:

Subd. 2. [ADMINISTRATION; ASSURANCE OF FUNDS.]
The board shall provide technical and financial assistance for the acquisition and betterment of the facilities and transfer stations from revenues derived from the issuance of bonds authorized by section 115A.58. *Facilities for the incineration of solid waste without resource recovery are eligible for assistance only if the board determines that the project will demonstrate governmental or financial innovations of statewide significance and application.* Of money appropriated for the purposes of the demonstration program, at least 70 percent shall be distributed as loans, and the remainder shall be distributed as grants. An individual project may receive assistance totaling up to 100 percent of the capital cost of the project and grants up to 50 percent of the capital cost of the project. No grant or loan shall be disbursed to any recipient until the board has determined the total estimated capital cost of the project and ascertained that financing of the cost is assured by funds provided by the state, by an agency of the federal government within the amount of funds then appropriated to that agency and allocated by it to projects within the state, by any person, or by the appropriation of proceeds of bonds or other funds of the recipient to a fund for the construction of the project.

Sec. 37. Minnesota Statutes 1982, section 115A.67, is amended to read:

115A.67 [ORGANIZATION OF DISTRICT.]

The governing body of each county wholly or partly within the district shall appoint two persons to serve on the first board of directors of the district, *except that in the case of a district having territory within only two counties each county may appoint three persons. At least one person appointed by each county shall be an elected official of a local government unit having territory within the district.* The first chairperson of the board of directors shall be appointed *from outside the first board of directors* by the chairperson of the waste management board (AND SHALL BE A LOCAL ELECTED OFFICIAL WITHIN THE DISTRICT). The first chairperson shall serve for a term of two years. Thereafter the chairperson shall be elected from outside the board of directors by majority vote of the board of directors. *Members of the board of directors shall be residents of the district.* The first meeting of the board of directors shall be held at the call of the chairperson, after notice, for the purpose of proposing the bylaws, electing officers and for any other business that comes before the meeting. The bylaws of the district, and amendments thereto, shall be adopted by a majority vote of the board of directors unless the certificate of incorporation requires a greater vote. The bylaws shall state:

(a) the manner and time of calling regular meetings of the representatives and the board of directors, not less than once annually;

(b) the title, manner of selection, and term of office of officers of the district;

(c) the term of office of members of the board of directors, the manner of their removal, and the manner of filling vacancies on the board of directors;

(d) the powers and duties of the board of directors consistent with the order and articles of incorporation establishing the district;

(e) the definition of a quorum for meetings of the board of directors, which shall be not less than a majority of the members;

(f) the compensation and reimbursement for expenses for members of the board of directors, which shall not exceed that provided for in section 15.0575, subdivision 3; and

(g) such other provisions for regulating the affairs of the district as the board of directors shall determine to be necessary.

Sec. 38. Minnesota Statutes 1982, section 115A.70, subdivision 3, is amended to read:

Subd. 3. [EXEMPTION.] (THE DISTRICT SHALL NOT DESIGNATE AND REQUIRE USE OF FACILITIES FOR MATERIALS WHICH ARE BEING SEPARATED FROM SOLID WASTE AND RECOVERED FOR REUSE OR RECYCLING BY THE GENERATOR, BY A PRIVATE PERSON UNDER CONTRACT WITH THE GENERATOR OR BY A LICENSED SOLID WASTE COLLECTOR. THE DISTRICT SHALL NOT DESIGNATE AND REQUIRE USE OF FACILITIES FOR MATERIALS WHICH ARE BEING DELIVERED TO ANOTHER RESOURCE RECOVERY FACILITY) *The designation may not apply to or include:*

(a) *materials which are separated from solid waste and recovered for reuse in their original form or for use in manufacturing processes; or*

(b) *materials other than those described in clause (a) which are being delivered to another resource recovery facility unless the district finds and determines that the required use is consistent with criteria and standards concerning displacement of existing facilities and with the evaluation of resource recovery designation which are required in the solid waste management plan of the district.*

Sec. 39. Minnesota Statutes 1982, section 115A.70, is amended by adding a subdivision to read:

Subd. 7. [RELATIONSHIP TO COUNTY DESIGNATION PROCEDURES.] A district need not repeat the designation procedures set out in subdivision 4 to the extent that these procedures have been completed by each county having territory in the district or by a joint powers board composed of each county having territory in the district. A district need not submit the designation for review pursuant to subdivision 2 if the designation has already been approved under section 115A.071 following submission by each county having territory in the district or by a joint powers board composed of each county having territory in the district.

Sec. 40. Minnesota Statutes 1982, section 116.06, is amended by adding a subdivision to read:

Subd. 9i. "Sludge" means any solid, semi-solid, or liquid waste generated from a municipal, commercial, or industrial waste water treatment plant, water supply treatment plant, or air contaminant treatment facility, or any other waste having similar characteristics and effects.

Sec. 41. Minnesota Statutes 1982, section 116.06, subdivision 13, is amended to read:

Subd. 13. "Hazardous waste" means any refuse, sludge, or (DISCARDED) other waste material or combinations of refuse, sludge or (DISCARDED) other waste materials in solid, semi-solid, liquid, or contained gaseous form which (CANNOT BE HANDLED BY ROUTINE WASTE MANAGEMENT TECHNIQUES) because (THEY) of its quantity, concentration, or chemical, physical, or infectious characteristics may (a) cause or significantly contribute to an increase in mortality or an increase in serious irreversible, or incapacitating reversible illness; or (b) pose a substantial present or potential hazard to human health or (OTHER LIVING ORGANISMS BECAUSE OF THEIR CHEMICAL, BIOLOGICAL, OR PHYSICAL PROPERTIES) the environment when improperly treated, stored, transported, or disposed of, or otherwise managed. Categories of hazardous waste materials include, but are not limited to: explosives, flammables, oxidizers, poisons, irritants, and corrosives. Hazardous waste does not include (SEWAGE SLUDGE AND) source, special nuclear, or by-product material as defined by the Atomic Energy Act of 1954, as amended.

Sec. 42. Minnesota Statutes 1982, section 116.07, subdivision 4, is amended to read:

Subd. 4. [RULES AND STANDARDS.] Pursuant and subject to the provisions of chapter 14, and the provisions hereof, the pollution control agency may adopt, amend and rescind rules

and standards having the force of law relating to any purpose within the provisions of Laws 1969, Chapter 1046, for the prevention, abatement, or control of air pollution. Any such rule or standard may be of general application throughout the state, or may be limited as to times, places, circumstances, or conditions in order to make due allowance for variations therein. Without limitation, rules or standards may relate to sources or emissions of air contamination or air pollution, to the quality or composition of such emissions, or to the quality of or composition of the ambient air or outdoor atmosphere or to any other matter relevant to the prevention, abatement, or control of air pollution.

Pursuant and subject to the provisions of chapter 14, and the provisions hereof, the pollution control agency may adopt, amend, and rescind rules and standards having the force of law relating to any purpose within the provisions of Laws 1969, Chapter 1046, for the collection, transportation, storage, processing, and disposal of solid waste and the prevention, abatement, or control of water, air, and land pollution which may be related thereto, and the deposit in or on land of any other material that may tend to cause pollution. The agency shall adopt such rules and standards for sewage sludge, addressing the intrinsic suitability of land, the volume and rate of application of sewage sludge of various degrees of intrinsic hazard, design of facilities, and operation of facilities and sites. The agency shall promulgate temporary rules for sewage sludge pursuant to sections 14.29 to 14.36. Notwithstanding the provisions of sections 14.29 to 14.36, the temporary rules shall be effective until permanent rules are promulgated or March 1, 1982, whichever is earlier. Any such rule or standard may be of general application throughout the state or may be limited as to times, places, circumstances, or conditions in order to make due allowance for variations therein. Without limitation, rules or standards may relate to collection, transportation, processing, disposal, equipment, location, procedures, methods, systems or techniques or to any other matter relevant to the prevention, abatement or control of water, air, and land pollution which may be advised through the control of collection, transportation, processing, and disposal of solid waste and sewage sludge, and the deposit in or on land of any other material that may tend to cause pollution. By January 1, 1983, the rules for the management of sewage sludge shall include an analysis of the sewage sludge determined by the commissioner of agriculture to be necessary to meet the soil amendment labeling requirements of section 17.716.

Pursuant and subject to the provisions of chapter 14, and the provisions hereof, the pollution control agency may adopt, amend and rescind rules and standards having the force of law relating to any purpose within the provisions of Laws 1971, Chapter 727, for the prevention, abatement, or control of noise pollution. Any such rule or standard may be of general application throughout the state, or may be limited as to times, places, circumstances or conditions in order to make due allowances for variations therein. Without limitation, rules or standards may

relate to sources or emissions of noise or noise pollution, to the quality or composition of noises in the natural environment, or to any other matter relevant to the prevention, abatement, or control of noise pollution.

As to any matters subject to this chapter, local units of government may set emission regulations with respect to stationary sources which are more stringent than those set by the pollution control agency.

Pursuant to chapter 14, the pollution control agency may adopt, amend, and rescind rules and standards having the force of law relating to any purpose within the provisions of this chapter for *generators of hazardous waste*, the management, identification, labeling, classification, storage, collection, treatment, transportation, processing, and disposal of hazardous waste and *the location of hazardous waste facilities*. A rule or standard may be of general application throughout the state or may be limited as to time, places, circumstances, or conditions. (THE PUBLIC UTILITIES COMMISSION, IN COOPERATION WITH THE POLLUTION CONTROL AGENCY, SHALL SET STANDARDS FOR THE TRANSPORTATION OF HAZARDOUS WASTE IN ACCORDANCE WITH CHAPTER 221.) In implementing its hazardous waste rules, the pollution control agency shall give high priority to providing planning and technical assistance to hazardous waste generators. The agency shall assist generators in investigating the availability and feasibility of both interim and long term hazardous waste management methods. The methods shall include waste reduction, waste separation, waste processing, resource recovery, and temporary storage.

The pollution control agency shall give highest priority in the consideration of permits to authorize disposal of diseased shade trees by open burning at designated sites to evidence concerning economic costs of transportation and disposal of diseased shade trees by alternative methods.

Sec. 43. Minnesota Statutes 1982, section 116.41, subdivision 1a, is amended to read:

Subd. 1a. [HAZARDOUS WASTE CLASSIFICATION.] By (JANUARY 1, 1982) *September 1, 1985*, the agency shall prescribe by rule criteria for excluding types and categories of hazardous wastes from disposal, criteria for accepting types and categories of wastes as suitable for disposal, and minimum pretreatment standards required as a condition of acceptance for disposal. The criteria and standards shall be based upon the degree of intrinsic hazard of the waste; the availability of conventional processing technologies for reducing, separating, reusing, recycling, and treating the waste; the feasibility and cost of applying the processing technologies in relation to the benefits

to be achieved by such application; the class of facility; and other factors deemed relevant by the agency.

Sec. 44. Minnesota Statutes 1982, section 473.149, subdivision 2b, is amended to read:

Subd. 2b. [INVENTORY OF SOLID WASTE DISPOSAL SITES.] By (FEBRUARY 1, 1982) *September 1, 1983*, the council shall adopt by resolution an inventory of eligible solid waste disposal sites and buffer areas within the metropolitan area. The council's inventory shall be composed of the sites and buffer areas proposed by the counties and reviewed and approved by the council pursuant to section 473.803, subdivision 1a. If a county does not have an approved inventory, the council shall adopt the required inventory for the county, following investigations by the council and public hearings as the council deems appropriate. The council's inventory shall satisfy all requirements and standards described in section 473.803, subdivision 1a, for sites and buffer areas proposed by counties. For sites and buffer areas included in the council's inventory, the moratorium imposed under section 473.803, subdivision 1a, shall extend until (OCTOBER 1, 1983) *90 days following the selection of sites pursuant to section 473.833, subdivision 3.*

Sec. 45. Minnesota Statutes 1982, section 473.149, subdivision 2c, is amended to read:

Subd. 2c. [REPORT ON LOCAL EFFECTS OF SOLID WASTE DISPOSAL FACILITIES; REPORT TO LEGISLATURE.] By (AUGUST 15, 1982) *November 1, 1983*, the council shall report to the legislative commission on methods of mitigating and compensating for the local risks, costs, and other adverse effects of solid waste disposal facilities and on methods of financing mitigation and compensation measures. The methods of mitigating and compensating to be considered shall include but not be limited to the following: payment outside of levy limitations in lieu of taxes for all property taken off the tax rolls; preference for the city or town containing a facility in federal A-95 reviews conducted by the council; payment of all costs to service the facilities including the costs of roads, monitoring, inspection, enforcement, police and fire, and litter clean up costs; payment for buffer zone amenities and improvements; city or town control over buffer zone design; elimination of the tipping charge for solid waste collected in the city or town; a guarantee against any and all liability that may occur; payment for reclamation of closed sites to local design specifications.

Sec. 46. Minnesota Statutes 1982, section 473.149, subdivision 2d, is amended to read:

Subd. 2d. [LAND DISPOSAL ABATEMENT PLAN.] By January 1, (1983) *1984*, after considering county land disposal

abatement proposals submitted pursuant to section 473.803, subdivision 1b, the council shall amend its policy plan to include specific and quantifiable objectives for abating the land disposal of mixed municipal solid waste. The plan shall 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 objectives in the plan shall be based upon standards for county resource recovery and waste reduction and separation programs and activities. The plan shall include standards and procedures to be used by the council in determining that metropolitan counties have not implemented the council's land disposal abatement plan and have not met the standards for county abatement programs and activities. The council shall report to the legislative commission on its abatement plan and on legislation that may be required to implement the plan.

Sec. 47. Minnesota Statutes 1982, section 473.149, subdivision 2e, is amended to read:

Subd. 2e. [SOLID WASTE DISPOSAL FACILITIES DEVELOPMENT SCHEDULE.] By January 1, (1983) 1984, after requesting and considering recommendations from the counties, cities, and towns, the council as part of its policy plan shall determine the number *and capacity* of sites to be acquired within each metropolitan county for solid waste disposal facilities in accordance with section 473.833. The council shall adopt a schedule for development of disposal facilities by each (SUCH) county through the year 2000. The schedule shall be based upon the council's reduced estimate of the disposal capacity needed because of the council's land disposal abatement plan. *The council may make the implementation of elements of the schedule contingent on actions of the counties in adopting and implementing county abatement plans pursuant to section 473.803, subdivision 1b; and the council shall review the development schedule at least every two years and shall revise the development schedule as it deems appropriate based on the progress made in the adoption and implementation of the council and county abatement plans.* The schedule may include procedures to be used by counties in selecting sites for acquisition pursuant to section 473.833. The schedule shall include standards and procedures for council certification of need pursuant to section 473.823. The schedule shall include a facility closure schedule and plans for post-closure 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 shall also include a closure schedule and plans for post-closure management for facilities in existence (PRIOR TO JANUARY 1, 1983) *before the adoption of the development schedule.*

Sec. 48. Minnesota Statutes 1982, section 473.149, subdivision 4, is amended to read:

Subd. 4. [ADVISORY COMMITTEE.] The council shall establish an advisory committee to aid in the preparation of the policy plan, the performance of the council's responsibilities under subdivisions 2 to 2e, the review of county master plans and reports and applications for permits for waste facilities, under sections 473.151 and 473.801 to 473.823 and sections 473.827, 473.831 and 473.833, and other duties determined by the council. The committee shall consist of one-third citizen representatives, one-third representatives from metropolitan counties and municipalities, and one-third representatives from private waste management firms. From (OCTOBER 1, 1981 TO JANUARY 1, 1983) *at least the date that the council adopts the inventory under subdivision 2b to the date that the council adopts a development schedule under subdivision 2e*, for the purpose only of participating in the preparation of the legislative report required by subdivision 2c (AND), the land disposal abatement plan required by subdivision 2d, *and the development schedule required by subdivision 2e*, additional members shall be included on the advisory committee sufficient to assure that at least one-third of the members of the committee are residents of cities or towns containing eligible solid waste disposal sites included in the council's disposal site inventory, and that counties containing three sites have at least two additional members and counties containing one or two sites have at least one additional member. A representative from the pollution control agency, one from the waste management board established under section 115A.04, and one from the Minnesota health department shall serve as ex officio members of the committee.

Sec. 49. Minnesota Statutes 1982, section 473.153, subdivision 2, is amended to read:

Subd. 2. [CANDIDATE SITE SELECTION.] (BY DECEMBER 15, 1981.) The council shall select (SIX) candidate sites for the disposal of the commission's sewage sludge and solid waste, together with appropriate surrounding buffer areas. *The council shall select at least four candidate sites by September 1, 1983.* The council shall evaluate sites for candidacy on the basis of at least the following factors: local land use and land use controls, the protection of agriculture and natural resources, existing and future development patterns, transportation facilities, distance from the points of generation, and the intrinsic suitability of sites compared with other potential sites. Notwithstanding any plan, charter provision, law, ordinance, regulation, or other requirement of the council, counties, or local units of government, no land shall be excluded from consideration for candidacy except land determined by the agency to be intrinsically unsuitable. No site shall be selected for candidacy unless the agency certifies its intrinsic suitability for the use intended, based on preliminary environmental analysis and on-site surveys

and investigations conducted by the council. The council shall provide to the agency data relating to the intrinsic suitability of the sites to be proposed as candidate sites as soon as available (BUT NO LATER THAN AUGUST 15, 1981). (BY SEPTEMBER 1, 1981,) The council shall propose at least six locations as candidate sites and the director of the agency shall issue a notice indicating which of those sites the director recommends be certified as intrinsically suitable. The director shall publish notice of a consolidated hearing on the recommendation. Notice shall be published in the state register and newspapers of general circulation in the metropolitan area and shall be sent by mail to local government units containing a proposed candidate site. The hearing shall be conducted by the state office of administrative hearings in a manner consistent with the completion of the proceedings and the hearing examiner's report to the agency in the time allowed by this section. The hearing shall afford all interested persons an opportunity to testify and present evidence on the subject of the hearing. The subject of the hearing shall be limited to information submitted by the council and additional information on the proposed sites which is relevant to the agency's decision on intrinsic suitability. The rulemaking and contested case procedures of chapter 14 shall not apply to this hearing. The report of the hearing examiner shall contain findings of fact, conclusions, and recommendations on the subject of the hearing. The agency shall make a final determination as to the intrinsic suitability of each proposed site and shall certify them accordingly (BY DECEMBER 1, 1981) *within 90 days of the council's proposal of a site.* The agency shall not be required to promulgate rules pursuant to chapter 14 on criteria and standards to govern its certification of intrinsic suitability under this section. No action of the agency shall be held invalid by reason of the agency's failure to notify any of the entities listed in this subdivision. In selecting candidate sites, the council shall prefer land which is capable of being returned to its existing use or the use anticipated in a plan of a metropolitan agency, county, or local unit of government use after closure of a disposal facility.

Sec. 50. Minnesota Statutes 1982, section 473.153, subdivision 5, is amended to read:

Subd. 5. [ENVIRONMENTAL (AND PERMIT) REVIEW.] An environmental impact statement (MEETING THE REQUIREMENTS OF CHAPTER 116D SHALL) *must* be completed on (EACH CANDIDATE SITE, PROVIDED THAT) *the environmental effects of the council's decisions required by subdivision 6.* The statement (SHALL) *must* be (FINALLY ACCEPTED OR REJECTED WITHIN 280 DAYS OF THE SELECTION OF CANDIDATE SITES. WITHIN 90 DAYS FOLLOWING THE ACCEPTANCE OF THE STATEMENT, THE AGENCY SHALL INDICATE THE CONDITIONS AND TERMS OF APPROVAL OF ALL PERMITS NEEDED AT EACH CANDIDATE SITE) *prepared and reviewed in accordance with chapter 116D and the rules issued pursuant thereto, except as otherwise required by this section. The statement must not address or reconsider alternatives eliminated from con-*

sideration pursuant to subdivisions 1 and 2 and must not address the matters to be decided by the council pursuant to subdivision 6b.

Sec. 51. Minnesota Statutes 1982, section 473.153, is amended by adding a subdivision to read:

Subd. 5a. [AGENCIES; REPORT ON PERMIT CONDITIONS AND APPLICATION REQUIREMENTS.] Within 30 days following the council's determination of adequacy pursuant to subdivision 5, the chief executive officer of each permitting state agency shall issue to the council reports on permit conditions and permit application requirements at each candidate site. The reports must indicate, to the extent possible based on existing information, the probable terms, conditions, and requirements of permits and the probable supplementary documentation that will be required for permit applications. The reports must be consistent with the establishment of facilities in accordance with the requirements of this section, must not address or reconsider alternatives eliminated from consideration under subdivisions 1 and 2, and must not address the matters to be decided by the council pursuant to subdivision 6b.

Sec. 52. Minnesota Statutes 1982, section 473.153, subdivision 6, is amended to read:

Subd. 6. [COUNCIL SITE SELECTION.] Within 90 days following the (AGENCY'S DECISION ON PERMIT CONDITIONS AND TERMS) determination of adequacy, the council shall select at least one of the candidate sites for acquisition and development by the commission. Before its selection the council shall consult with the advisory committee and affected counties, cities, and towns.

Sec. 53. Minnesota Statutes 1982, section 473.153, subdivision 6b, is amended to read:

Subd. 6b. [CERTIFICATION OF NEED.] No new facility for disposing of (SLUDGE,) ash (,) and other waste generated by the commission shall be permitted in the metropolitan area without a certification of need issued by the council indicating the council's determination:

(a) that the disposal of waste with concentrations of hazardous materials is necessary; and

(b) that the additional *ash* disposal capacity planned for the facility is needed.

The council shall certify need only to the extent that there are no feasible and prudent methods of reducing the concentrations of hazardous materials in the waste and no feasible and

prudent alternatives to the ash disposal facility, including large-scale composting and co-composting of sludge, which would minimize adverse impact upon natural resources. Methods and 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 methods or alternatives, including large-scale composting and co-composting of sludge as an alternative to incineration. In its certification the council shall not consider alternatives which have been eliminated from consideration by the selection of sites pursuant to subdivisions 2 and 6.

Sec. 54. Minnesota Statutes 1982, section 473.153, is amended by adding a subdivision to read:

Subd. 6c. [CERTIFICATION OF NEED; RESTRICTION.] No certification of need may be issued by the council pursuant to subdivision 6b until the report required by this subdivision is submitted to the legislative commission on waste management. The council shall submit the report by January 1, 1984. The report shall evaluate the potential of large-scale sewage sludge composting and co-composting to reduce the need for sewage sludge incineration, sewage sludge ash disposal, and mixed municipal solid waste land disposal; recommend institutional arrangements necessary for the implementation of large-scale sewage sludge composting and co-composting; and compare the costs and benefits of composting and co-composting with the costs, including costs already incurred, and the benefits of incineration.

Sec. 55. Minnesota Statutes 1982, section 473.803, subdivision 1a, is amended to read:

Subd. 1a. [PROPOSED INVENTORY OF DISPOSAL SITES.] By October 15, 1981, each county shall adopt, by resolution of its governing body, an inventory of four proposed sites in the county suitable for mixed municipal solid waste disposal facilities (AND ONE PROPOSED SITE IN THE COUNTY SUITABLE FOR THE DISPOSAL OF DEMOLITION DEBRIS) and shall submit the inventory to the council for approval or disapproval. The council shall evaluate and approve or disapprove each proposed site in accordance with the standards set out in this subdivision. Except as otherwise provided in this subdivision, each site shall satisfy the standards and criteria in federal and state regulations and the council's policy plan for solid waste management. In proposing and approving sites for the inventory, the counties and the council shall prefer land which is capable of being returned to its existing use or the use anticipated in a plan of a metropolitan agency, county, or local unit of government use after closure of a disposal facility. Each site shall contain no less than 80 acres and no more than 250 acres. Each proposed site shall be surrounded by a buffer area at least equal to the area of the site. No site shall be adopted

by a county or the council as part of an inventory unless the agency certifies its intrinsic suitability for the use intended, based on preliminary environmental analysis and on site surveys and investigations conducted by the county. Notwithstanding any plan, charter provision, law, ordinance, regulation, or other requirement of any state agency or political subdivision, no land shall be excluded from consideration for inclusion in the inventory except land determined by the agency to be intrinsically unsuitable. Each county shall provide to the agency data relating to the intrinsic suitability of the sites to be proposed for the inventory as soon as available (BUT NO LATER THAN JUNE 15, 1981). By July 1, 1981 each county shall propose at least the number of sites required for the inventory, and the director of the agency shall issue a notice indicating which of those sites the director recommends be certified as intrinsically suitable. Notice of hearings on the director's recommendation shall be published in the state register and newspapers of general circulation in the metropolitan area and shall be sent by mail to the metropolitan council and local government units containing a proposed inventory site. A hearing shall be held in each metropolitan county and shall be conducted by the state office of administrative hearings in a manner consistent with the completion of the proceedings and the hearing examiner's report to the agency in the time allowed by this section. The hearing shall afford all interested persons an opportunity to testify and present evidence on the subject of the hearing. The subject of the hearing shall be limited to information submitted by the county and additional information on the proposed sites which is relevant to the agency's decision on intrinsic suitability. The rulemaking and contested case procedures of chapter 14 shall not apply to this hearing. The report of the hearing examiner shall contain findings of fact, conclusions, and recommendations on the subject of the hearing. The agency shall make a final determination as to the intrinsic suitability of each proposed site and shall certify them accordingly (BY OCTOBER 1, 1981) *within 90 days of the county's proposal of a site*. The agency shall not be required to promulgate rules pursuant to chapter 15 on criteria and standards to govern its certification of intrinsic suitability under this section. No action of the agency shall be held invalid by reason of the agency's failure to notify any of the entities listed in this subdivision. The council shall evaluate each site with respect to local land use and land use controls, the protection of agriculture and natural resources, existing and future development patterns, transportation facilities and other services and facilities appropriate to land disposal facilities, the quality of other potential sites, and patterns of generation of solid waste. The council shall notify a county of any site proposed by the county which the council disapproves and shall allow the county 60 days to propose an alternative site. If the county fails to propose an alternative acceptable to the council in the time allowed, the council shall propose a site acceptable to it for inclusion in the inventory of sites in that county. If in the council's judgment a county does not contain the requisite number of satisfactory sites, the council may reduce the number of sites required of that county. In order

to permit the comparative evaluation of sites and the participation of affected localities in decisions about the use of sites, a moratorium is hereby imposed as provided in this subdivision on development within the area of each site and buffer area proposed by a county, pending the council's adoption of an inventory pursuant to section 473.149, subdivision 2b. For sites and buffer areas included in the council's inventory, the moratorium shall extend until (OCTOBER 1, 1983) *90 days following the selection of sites pursuant to section 473.833, subdivision 3*, except that the council may at any time, with the approval of the county in which the site is located, abrogate the application of the moratorium to a specific site or sites or buffer areas. No development shall be allowed to occur within the area of a site or buffer area during the period of the moratorium without the approval of the council. No county, city, or town land use control shall permit development which has not been approved by the council, nor shall any county, city, or town sanction or approve any subdivision, permit, license, or other authorization which would allow development to occur which has not been approved by the council. The council shall not approve actions which would jeopardize the availability of a site for use as a solid waste facility. The council may establish guidelines for reviewing requests for approval under this subdivision. Requests for approval shall be submitted in writing to the chairman of the council and shall be deemed to be approved by the council unless the chairman otherwise notifies the submitter in writing within 15 days.

Sec. 56. Minnesota Statutes 1982, section 473.803, subdivision 1b, is amended to read:

Subd. 1b. [LAND DISPOSAL ABATEMENT.] By April 1, 1982, after considering the council's disposal abatement report submitted to the counties pursuant to section 473.149, subdivision 2a, each county shall submit to the council a proposal to reduce to the greatest feasible and prudent extent the need for and practice of land disposal of mixed municipal solid waste. The proposal shall address at least waste reduction, separation, and resource recovery. The proposal shall include objectives, immediately and over specified time periods, for reducing the land disposal of mixed municipal solid waste generated within the county. The proposal shall describe specific functions to be performed and activities to be undertaken by the county and cities and towns within the county to achieve the objectives and shall describe the estimated cost, proposed manner of financing, and timing of the functions and activities. The proposal shall include alternatives which could be used to achieve the objectives if the proposed functions and activities are not established. (BY JUNE 1, 1983.) Each county shall revise its master plan to include a land disposal abatement element to implement the council's land disposal abatement plan adopted under section 473.149, subdivision 2d, and shall submit the revised plan to the council for review under subdivision 2 *within nine months after the adoption of the council's abatement plan*. The proposal and master plan revision required by this subdivision shall be pre-

pared in consultation with cities and towns within the county, particularly the cities and towns in which a solid waste disposal facility is or may be located pursuant to the county master plan.

Sec. 57. Minnesota Statutes 1982, section 473.823, subdivision 6, is amended to read:

Subd. 6. [COUNCIL; CERTIFICATION OF NEED.] No new mixed municipal solid waste disposal facility 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. The standards and procedures shall be based on the council's disposal abatement plan adopted pursuant to section 473.149, subdivision 2d, and the abatement master plans of counties adopted pursuant to section 473.803, subdivision 1b. 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.*

Sec. 58. Minnesota Statutes 1982, 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 (PURSUANT TO SECTION 473.833,) by the council, for the purposes provided in subdivision 1 and to make grants to metropolitan counties to pay the cost of the *environmental review of sites and the acquisition of all property or interests in property for solid waste disposal sites and surrounding buffer areas required to be acquired by the county, pursuant to section 473.833, by the council's policy plan and development schedule adopted pursuant to section 473.149, subdivision 2e.* If the council is required by law or regulation 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. 59. Minnesota Statutes 1982, section 473.833, subdivision 2a, is amended to read:

Subd. 2a. [ENVIRONMENTAL (ANALYSIS) IMPACT STATEMENT.] (BY JANUARY 1, 1983,) Each metropolitan county shall complete an (ANALYSIS COMPARING) *environmental impact statement* on the environmental effects of (SOLID WASTE DISPOSAL FACILITIES AT THE SITES IN THE COUNTY WHICH ARE INCLUDED IN THE METROPOLITAN INVENTORY OF SOLID WASTE DISPOSAL SITES ADOPTED BY THE METROPOLITAN COUNCIL PURSUANT TO SECTION 473.149, SUBDIVISION 2b) *the decision required by subdivision 3.* The (ANALYSIS) *statement* shall be (IN DETAIL SUFFICIENT, IN THE JUDGMENT OF THE COUNTY BOARD, TO INFORM ADEQUATELY THE COUNTY SITE SELECTION AUTHORITY ESTABLISHED UNDER SUBDIVISION 3 OF THE ENVIRONMENTAL EFFECTS OF FACILITIES AT SITES WITHIN THE COUNTY AND TO ASSURE THAT FACILITIES AT THE SITES CAN REASONABLY BE EXPECTED TO QUALIFY FOR PERMITS IN ACCORDANCE WITH THE RULES OF THE AGENCY) *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 of this section. The pollution control agency and the council shall assist and advise counties in the scoping decision and the preparation notice.*

Sec. 60. Minnesota Statutes 1982, section 473.833, is amended by adding a subdivision to read:

Subd. 2b. [AGENCIES; COUNCIL; REPORT ON PERMIT CONDITIONS AND APPLICATION REQUIREMENTS.] *Within 30 days following the county's determination of adequacy under subdivision 2a, the chief executive officer of the metropolitan council and each permitting state agency shall issue to the county reports on permit conditions and permit application requirements at each site in the county. The reports must indicate, to the extent possible based on existing information, the probable terms, conditions, and requirements of permits and the probable supplementary documentation and environmental review that will be required for permit applications pursuant to chapter 116 and section 473.823. The reports must be consistent with the establishment of facilities in accordance with the requirements of the council's development schedule adopted under section 473.*

149, subdivision 2e, 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.

Sec. 61. Minnesota Statutes 1982, section 473.833, subdivision 3, is amended to read:

Subd. 3. [COUNTY SITE SELECTION AUTHORITIES.] Each metropolitan county shall establish a site selection authority. (BY JUNE 1, 1983) *Within 90 days following the county's determination of adequacy under subdivision 2a*, each site selection authority shall select specific sites within the county from the council's disposal site inventory, in accordance with the procedures established by the council under section 473.149, subdivision 2e, and in a number *and capacity* equal to that required by the council to be acquired by the county. Each site selection authority shall be composed of the county board, plus one member appointed by the governing body of each city or town within the county containing a site in the council's disposal site inventory or the majority of the land contained within such a site. If the number of members on the site selection authority who reside in a city or town containing all or part of a site or buffer area is equal to or greater than the number of members who do not, the chairman of the county board shall appoint to the authority an additional member or members, residing within the county but not within a city or town containing all or part of a site or buffer area, sufficient to assure a majority of one on the authority of members residing in cities and towns not containing all or any part of a site or buffer area. The chairman of the county board shall be the chairman of the site selection authority. If a site selection authority has not selected the requisite number *and capacity* of sites in accordance with the council's standards, criteria, and procedures (BY JUNE 1, 1983) *within the time allowed by this subdivision*, the council shall make the selection. *A county may not be required to develop a solid waste disposal facility at a site selected pursuant to this subdivision in a municipality in which a mixed municipal solid waste resource recovery facility is located unless the council determines that the capacity and number of disposal facilities required by the development schedule for that county cannot be provided in that county without development of the disposal facility.*

Sec. 62. Minnesota Statutes 1982, section 473.833, subdivision 7, is amended to read:

Subd. 7. [FAILURE OF COUNTIES TO ACQUIRE; REPORT TO LEGISLATURE.] If any county fails to identify property for acquisition or (IF ANY COUNTY REFUSES) to proceed with *environmental analysis and acquisition*, as required by this section and the council's disposal facility development

schedule adopted pursuant to section 473.149, subdivision 2e, the council shall prepare and recommend (TO THE LEGISLATURE, NO LATER THAN JANUARY 1, 1984,) legislation to transfer solid waste management authority and responsibility in the metropolitan area from the counties to the waste control commission or a new metropolitan commission established for that purpose.

Sec. 63. [SLUDGE INCINERATION.]

The metropolitan waste control commission established by section 473.503 may not acquire or expand additional incineration facilities, or plan or undertake studies for such acquisition and expansion, until the report required by section 55 is submitted.

Sec. 64. [REPEALER]

Minnesota Statutes 1982, sections 115A.23; 115A.27, subdivision 1; 116.07, subdivision 4c; and 116.41, subdivision 1, are repealed.

Sec. 65. [APPLICATION.]

Sections 44 to 63 are effective in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 66. [EFFECTIVE DATE.]

Sections 1 to 65 are effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to waste management; amending the Waste Management Act of 1980; providing for the evaluation of bedrock disposal of hazardous waste; providing for participation by private developers and operators of waste facilities in the evaluation of hazardous waste disposal sites; creating phases of environmental impact statements; expanding the definition of hazardous waste; extending the deadlines for the adoption of certain hazardous waste rules; extending certain deadlines of the metropolitan council; clarifying the contents of environmental impact statements; providing reports to counties on permit conditions and permit application requirements for county sites; amending Minnesota Statutes 1982, sections 115.071, subdivisions 2 and 3, and by adding subdivisions; 115A.03, subdivision 10; 115A.05, subdivisions 2 and 3; 115A.06, subdivision 4; 115A.08, subdivisions 4, 5, and 6; 115A.10; 115A.11, subdivisions 1 and 2; 115A.21; 115A.22, subdivisions 1, 3, 4, 6, and 7; 115A.24, subdivision 1; 115A.25, subdivisions 1, 2, 3, and by adding subdivisions; 115A.26; 115A.27, subdivision 2; 115A.28,

subdivisions 1, 2, and 3; 115A.30; 115A.54, subdivision 2; 115A.67; 115A.70, subdivision 3, and by adding a subdivision; 116.06, subdivision 13, and by adding a subdivision; 116.07, subdivision 4; 116.41, subdivision 1a; 473.149, subdivisions 2b, 2c, 2d, 2e, and 4; 473.153, subdivisions 2, 5, 6, 6b, and by adding subdivisions; 473.803, subdivisions 1a and 1b; 473.823, subdivision 6; 473.831, subdivision 2; 473.833, subdivisions 2a, 3, 7, and by adding a subdivision; proposing new law coded in chapter 115A; repealing Minnesota Statutes 1982, sections 115A.23; 115A.27, subdivision 1; 116.07, subdivision 4c; and 116.41, subdivision 1."

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 1100, A bill for an act relating to natural resources; eliminating obsolete material and updating certain provisions relating to decorative trees; amending Minnesota Statutes 1982, sections 88.641, subdivision 1; 88.642; 88.643; 88.644; and 88.648; repealing Minnesota Statutes 1982, sections 88.641, subdivision 3; 88.646; and 88.649.

Reported the same back with the following amendments:

Page 1, line 22, strike "any" and insert "*more than three*"

Page 1, line 23, strike "tree" and insert "*trees*"

Page 2, line 34 to page 3, line 12, delete section 3

Page 3, line 26, after "possession" insert "*more than three*"

Page 3, line 27, strike "for sale or processing"

Page 3, line 32, strike "June 30th" and insert "*January 31*"

Page 4, line 22, after "*subdivision 3,*" insert "*88.643;*"

Renumber the remaining sections

Amend the title as follows:

Page 1, line 5, delete "*88.643;*"

Page 1, line 7, after "*subdivision 3,*" insert "*88.643;*"

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

The report was adopted.

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

H. F. No. 1101, A bill for an act relating to natural resources; authorizing the commissioner to sell to or exchange surplus tree planting stock with other states and the federal government under certain circumstances; amending Minnesota Statutes 1982, section 89.36, by adding a subdivision.

Reported the same back with the following amendments:

Page 1, line 14, after "stock" insert "and seed"

Page 1, line 18, after the semicolon delete "or"

Page 1, line 20, after "commissioner" insert "; and (4) to utilize tree planting stock or seed not needed for the reforestation program in the state.

The commissioner's authority to acquire tree planting stock under this subdivision is limited to not more than five tree species per year. The minimum quantity he may acquire of any species is 20,000 trees"

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

The report was adopted.

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

H. F. No. 1106, A bill for an act relating to insurance; correcting certain errors; removing certain deficiencies and ambiguities; correcting certain omissions; expanding certain insurers' investment authority; providing standards for application or reporting requirements; authorizing the commissioner to adopt rules; providing for miscellaneous changes and clarifications; amending Minnesota Statutes 1982, sections 60A.11, subdivisions 9, 10, 14, 18, 20, 21, 23, and 24; 60A.111, subdivision 2, and by adding subdivisions; 61A.28, subdivisions 3, 6, and 12; 61A.29, subdivision 2; 61A.31, subdivision 3; repealing Minnesota Statutes 1982, sections 60A.11, subdivisions 5a, 5b, and 7; and 60A.111, subdivision 4.

Reported the same back with the following amendments:

Page 5, line 23, delete "*national association*" and insert "*National Association*"

Page 5, line 24, delete "*insurance commissioners*" and insert "*Insurance Commissioners*"

Page 5, line 24, delete "*is*" and insert "*as*"

Page 10, line 5, delete "*if*" and insert a period

Page 10, line 5, after the stricken "*shall*" insert "*must*" and reinstate the stricken "*dispose*" and delete "*disposes*"

Page 10, line 24, after "*of*" insert "*the insurance company's*"

Page 12, line 33, after the first "*company*" insert "*system*"

Page 21, line 34, delete "*such*" and insert "*these*"

Page 23, line 14, delete "*sections 60A.11, subdivisions 5a,*"

Page 23, line 15, delete "*5b, and 7; and*" and insert "*section*"

Page 23, line 15, delete "*are*" and insert "*is*"

Amend the title as follows:

Page 1, line 14, delete "*sections 60A.11, subdivisions 5a, 5b, and 7; and*" and insert "*section*"

With the recommendation that when so amended the bill pass.

The report was adopted.

Vanasek from the Committee on Judiciary to which was referred:

H. F. No. 1136, A bill for an act relating to crimes; exempting participants in supervised research programs from arrest for certain driving violations; amending Minnesota Statutes 1982, section 169.121, 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.

Anderson, G., from the Committee on Local and Urban Affairs to which was referred:

H. F. No. 1162, A bill for an act relating to local government; providing for the development of University Avenue in the cities of Minneapolis and St. Paul; creating a commission to develop and implement transit, housing, and economic development projects; appropriating money.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

“Section 1. [PURPOSE.]

In order to revitalize University Avenue with commercial development and housing, the legislature finds that the creation of a joint development commission by the cities of Minneapolis and St. Paul to promote commercial investment and housing and to construct a transit system linking the two cities along the University Avenue route is necessary and beneficial.

Sec. 2. [DEFINITIONS.]

Subdivision 1. [COMMISSION.] “Commission” means the University Avenue development commission created in section 3.

Subd. 2. [TRANSIT SYSTEM.] “Transit system” means, without limitation, a combination of property, structures, improvement, equipment, plants, parking, or other facilities, used or useful, for the purpose of public transit.

Subd. 3. [DEVELOPMENT ZONE.] “Development zone” means the area included in the commission’s development programs. The boundaries shall be determined by the commission before implementation of any programs by the commission.

Sec. 3. [UNIVERSITY AVENUE DEVELOPMENT COMMISSION.]

Subdivision 1. [CREATION; MEMBERS.] The University Avenue development commission is created. The commission shall be composed of the following voting members: the mayors of St. Paul and Minneapolis; two members of the St. Paul city council appointed by the council; and two members of the Minneapolis city council appointed by the council. Two of the council members serving on the commission shall represent the involved University Avenue area. The chair or designee of the citizens advisory committee shall be a non-voting member of the commission.

Subd. 2. [TERMS OF THE MEMBERS.] Each member shall serve until a successor has been selected, unless tenure is

terminated by resignation, removal, death, or otherwise as provided by law. All members shall serve without compensation for their services, except for necessary expenses incurred in the performance of their duty.

Subd. 3. [VACANCIES.] Any vacancy in a commission membership shall be filled for the unexpired term in the same manner as provided for selection of the regular incumbent.

Subd. 4. [ADVISORY COMMITTEES.] The commission shall appoint a citizens advisory committee and a technical advisory committee of not more than 15 members each. To the extent possible, the citizens advisory committee shall represent business, labor, and community interests in the development zone. The members of the advisory committees shall serve for an indefinite period until the commission makes new appointments. Vacancies will be filled upon nomination by the commission and a majority vote of the advisory committee. A chairman of the advisory committees shall be elected from among the members, and meetings of the committees shall be at the call of the chairman. The advisory committees shall advise the commission on all matters relating to the implementation of the goals and objectives of the University Avenue development commission.

Sec. 4. [COMMISSION; ORGANIZATION AND OPERATION.]

The members of the commission may adopt bylaws and rules of procedure governing their actions, consistent with this and other laws, and shall elect whatever officers the commission deems appropriate. Any authorized action may be taken by the commission upon the vote of a majority of the members present at any meeting lawfully convened. Provided that at least two members from each city must be present to constitute a quorum.

Sec. 5. [POWERS.]

Subdivision 1. [GENERAL POWERS.] The commission may sue and be sued and may enter into contracts necessary or proper for the implementation of sections 1 to 9.

The commission may accept gifts, grants, or loans of money or other property from the United States, the state, or any person or entity, may enter into any agreement required in connection with them, may comply with any applicable federal or state laws or regulations, and may hold, use, and dispose of money or property in accordance with the terms of the applicable gift, grant, loan, or agreement.

Subd. 2. [TECHNICAL ASSISTANCE.] The commission may contract with state or metropolitan agencies or private per-

sons for technical service, design plans, engineering, and other services that the commission may deem appropriate.

Subd. 3. [OFFICERS AND EMPLOYEES.] *The commission shall employ an executive director and may employ other persons directly or, by agreement with the cities of Minneapolis and St. Paul, use the services of city employees to carry out the duties of the commission.*

Sec. 6. [DUTIES.]

It shall be the general duty of the commission to promote the economic welfare of the development zone and to endeavor to increase and improve commercial and residential development, and with input from ongoing and past studies promote efficient transit between Minneapolis and St. Paul.

Sec. 7. [PHASE I.]

The initial phase of the University Avenue development commission, from July 1, 1983 to June 30, 1985, shall be devoted to studying and planning for the implementation of the goals and objectives of the commission, during which time the commission shall deal with the following specific matters.

(1) *To define the boundaries of the development zone.*

(2) *To confer with local community and business organizations and other units of government created under laws of this state having jurisdiction within all or a part of the development zone, and to adopt in cooperation with them a comprehensive plan by June 30, 1985, to manage, develop, and improve the development zone.*

The comprehensive plan shall evaluate the costs, benefits, and feasibility of an accelerated investment project in housing and commerce along the University Avenue corridor. The plan shall evaluate the feasibility of a transit system in coordination with ongoing transit studies. The plan shall include findings on the costs and benefits and on the technical, economic, and financial feasibility of the project. The report shall include recommendations on legal, institutional, and financial methods of implementing the project. The metropolitan council and the metropolitan transit commission shall provide technical and staff assistance to the commission for developing the plan.

(3) *To establish a funding program to provide the necessary revenue for implementation of the program during Phase II of the commission beginning July 1, 1985.*

(4) *To develop and propose ordinances and legislation as needed for the purposes of the commission.*

(5) To give consideration to all public and private transit and development studies dealing with the development zone while ensuring that no duplication of effort occurs with those studies, and adopt any recommendations of the studies which the commission deems appropriate.

(6) To make a written report to the city councils of Minneapolis and St. Paul by February 1, 1985, giving a detailed account of its activities since the beginning of Phase I, and its specific proposal on how the implementation of the program will take effect during Phase II. If justified by its findings the commission may recommend that Phase II not be implemented.

Sec. 8. [PHASE II.]

Subdivision 1. [APPROVING RESOLUTIONS.] The second phase of the University Avenue development commission shall commence on July 1, 1985 if authorized by resolution of the city councils of Minneapolis and St. Paul prior to that date. The goals and objectives of the second phase of the commission shall be the implementation of the recommendations made by the commission during the initial phase.

Subd. 2. [ADDITIONAL POWERS.] The resolution of the city councils shall include authorization to the commission to exercise any of the powers of the city which the city councils deem appropriate to implement the goals and objectives of the commission as outlined in its report to the councils. The commission may exercise any of the powers of the cities granted under any law or home rule charter, on behalf of the cities, which the city councils may authorize the commission to exercise.

Subd. 4. [SPECIAL DUTIES; PHASE II.] During the second phase of the commission, it shall:

(a) carry out the plan which the commission formulated during Phase I;

(b) utilize the funding source for implementation of the program which was established in Phase I;

(c) continue to meet with the advisory committees; and

(d) report biannually to the city councils of each city and the legislature on the progress of the commission and the estimated time of completion of the program.

Sec. 9. [APPROPRIATION.]

\$125,000 is appropriated from the general fund to the University Avenue development commission for the period July 1, 1983 to June 30, 1985. The city council of Minneapolis shall

appropriate \$62,500 and the city council of St. Paul shall appropriate \$125,000 for the same period. One-half of the appropriations by the cities may be, in lieu of cash, goods or services including the services of city employees. Any unexpended funds as of June 30, 1985 shall be retained by the commission to be utilized during Phase II if the city councils adopt the approving resolutions provided by section 8. If the city councils fail to adopt the approving resolutions, any unexpended funds shall be returned to the general fund and each city in proportional amounts to the cash contributions of each.

Sec. 10. [EFFECTIVE DATE.]

Sections 1 to 9 are effective the day after compliance with section 645.021, subdivision 3, by the governing bodies of the cities of Minneapolis and St. Paul."

Amend the title as follows:

Page 1, line 5, delete "transit,"

Page 1, line 5, after "housing" delete the comma

Page 1, line 6, after "projects" insert "and transit"

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 Local and Urban Affairs to which was referred:

H. F. No. 1234, A bill for an act relating to state-local fiscal relations; creating an advisory council for local government financial reporting standards; establishing a policy for the distribution of local government aids; providing for the state budget reserve account; removing levy limits for cities with populations under 5,000 and towns; appropriating money; amending Minnesota Statutes 1982, sections 16A.15, by adding a subdivision; 275.50, subdivision 2; 477A.01, by adding a subdivision; and 477A.03, subdivision 2.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Article 1

Levy Limits

Section 1. Minnesota Statutes 1982, section 116J.42, subdivision 7, is amended to read:

Subd. 7. The commissioner:

- (1) Shall continuously gather and develop demographic data within the state;
- (2) Shall design and test methods of research and data collection;
- (3) Shall have the power to call upon any agency of the state or political subdivision for data as may be available, and the agencies and political subdivisions shall cooperate to the fullest extent possible;
- (4) Shall periodically prepare population projections for designated regions and for the state and may periodically prepare projections for each county, or other political or geographic division;
- (5) Shall review, comment, and prepare analysis of population estimates and projections made by state agencies, political subdivisions, other states, federal agencies or nongovernmental persons, institutions or commissions;
- (6) Shall serve as the state liaison with the federal bureau of census, shall coordinate his activities with federal demographic activities to the fullest extent possible, and shall aid the legislature in preparing a census data plan and form for each decennial census;
- (7) Shall compile an annual study of population estimates on the basis of county, regional or other political or geographic divisions as necessary to carry out the purposes of this subdivision and section 116J.43;
- (8) Shall, on or before January 1 of each year, issue a report to the legislature containing an analysis of the demographic implications of the annual population study and population projections;
- (9) Shall cause to be prepared maps of all counties in the state, all municipalities with a population of 10,000 or more, and any other municipalities as deemed necessary for census purposes, according to scale and detail recommended by the federal bureau of the census, with the maps of cities showing boundaries of precincts; and
- (10) Shall annually prepare (A POPULATION) *an estimate of population and of the number of households* for each governmental subdivision for which the metropolitan council does not prepare an annual (POPULATION) estimate, and shall communicate the (ESTIMATE) *estimates* to the govern-

ing body of each governmental subdivision by May 1 of each year.

Sec. 2. Minnesota Statutes 1982, section 275.50, subdivision 2, is amended to read:

Subd. 2. [GOVERNMENTAL SUBDIVISION.] "Governmental subdivision" means (A) *any county, and those home rule charter (CITY) cities, statutory (CITY) cities, (TOWN OR SPECIAL TAXING DISTRICT DETERMINED BY THE DEPARTMENT OF REVENUE, EXCEPT A TOWN THAT HAS) and towns having the powers of statutory cities pursuant to section 368.01 or special law, having a population of (LESS THAN) 5,000 or more according to the most recent federal census, provided that the population of an incorporated municipality located within the boundaries of a town is not included in the population of the town. (THE TERM DOES NOT INCLUDE SCHOOL DISTRICTS OR THE METROPOLITAN TRANSIT COMMISSION CREATED PURSUANT TO SECTION 473.404.)*

Sec. 3. Minnesota Statutes 1982, section 275.50, subdivision 5, is amended to read:

Subd. 5. Notwithstanding any other law to the contrary for taxes levied in (1982) 1983 payable in (1983) 1984 and subsequent years, "special levies" means those portions of ad valorem taxes levied by governmental subdivisions to:

(a) satisfy judgments rendered against the governmental subdivision by a court of competent jurisdiction in any tort action, or to pay the costs of settlements out of court against the governmental subdivision in a tort action when substantiated by a stipulation for the dismissal of the action filed with the court of competent jurisdiction and signed by both the plaintiff and the legal representative of the governmental subdivision, but only to the extent of the increase in levy for such judgments and out of court settlements over levy year 1970, taxes payable in 1971;

(b) pay the costs of complying with any written lawful order initially issued prior to January 1, 1977 by the state of Minnesota, or the United States, or any agency or subdivision thereof, which is authorized by law, statute, special act or ordinance and is enforceable in a court of competent jurisdiction, or any stipulation agreement or permit for treatment works or disposal system for pollution abatement in lieu of a lawful order signed by the governmental subdivision and the state of Minnesota, or the United States, or any agency or subdivision thereof which is enforceable in a court of competent jurisdiction. The commissioner of revenue shall in consultation with other state departments and agen-

cies, develop a suggested form for use by the state of Minnesota, its agencies and subdivisions in issuing orders pursuant to this subdivision;

(c) pay the costs to a governmental subdivision for their minimum required share of any program otherwise authorized by law for which matching funds have been appropriated by the state of Minnesota or the United States, excluding the administrative costs of public assistance programs, to the extent of the increase in levy for the taxes payable year 1983 and subsequent years over the amount levied for the local share of the program for the taxes payable year 1971. This clause shall apply only to those programs or projects for which matching funds have been designated by the state of Minnesota or the United States on or before September 1, of the previous year and only when the receipt of these matching funds is contingent upon the initiation or implementation of the project or program during the year in which the taxes are payable or those programs or projects approved by the commissioner;

(d) 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 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;

(e) pay the costs of principal and interest on bonded indebtedness, or (, EFFECTIVE FOR TAXES LEVIED IN 1973 AND YEARS THEREAFTER,) 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;

(f) 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;

(g) 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;

(h) provide for the bonded indebtedness portion of payments made to another political subdivision of the state of Minnesota;

(i) pay the amounts required to compensate for a decrease in manufactured homes property tax receipts to the extent that the governmental subdivision's portion of the total levy in the current levy year, pursuant to section 273.13, subdivision 3, as amended, is less than the distribution of the manufactured homes tax to the governmental subdivision pursuant to section 273.13, subdivision 3, in calendar year 1971;

(j) pay the amounts required, in accordance with section 275.075, to correct for a county auditor's error of omission (IN LEVY YEAR 1971 OR A SUBSEQUENT 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;

(k) 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;

(l) pay the increased cost of municipal services as the result of an annexation or consolidation ordered by the Minnesota municipal board (IN LEVY YEAR 1971 OR A SUBSEQUENT LEVY YEAR), but only to the extent and for the levy years as provided by the board in its order pursuant to section 414.01, subdivision 15. Special levies authorized by the board shall not exceed 50 percent of the levy limit base of the governmental subdivision and may not be in effect for more than three years after the board's order;

(m) pay the increased costs of municipal services provided to new private industrial and nonresidential commercial development, to the extent that the extension of such services are not paid for through bonded indebtedness or special assessments, and not to exceed the amount determined as follows. The governmental subdivision may calculate the aggregate of:

(1) The increased expenditures necessary in preparation for the delivering of municipal services to new private industrial and nonresidential commercial development, but limited to one year's expenditures one time for each such development;

(2) The amount determined by dividing the overall levy limitation established pursuant to sections 275.50 to 275.56, and exclusive of special levies and special assessments, by the total taxable value of the governmental subdivision, and then multiply-

ing this quotient times the total increase in assessed value of private industrial and nonresidential commercial development within the governmental subdivision. For the purpose of this clause, the increase in the assessed value of private industrial and nonresidential commercial development is calculated as the increase in assessed value over the assessed value of the real estate parcels subject to such private development as most recently determined before the building permit was issued. In the fourth levy year subsequent to the levy year in which the building permit was issued, the increase in assessed value of the real estate parcels subject to such private development shall no longer be included in determining the special levy.

The aggregate of the foregoing amounts, less any costs of extending municipal services to new private industrial and nonresidential commercial development which are paid by bonded indebtedness or special assessments, equals the maximum amount that may be levied as a "special levy" for the increased costs of municipal services provided to new private industrial and nonresidential commercial development (. IN THE LEVY YEAR FOLLOWING THE LEVY YEAR IN WHICH THE SPECIAL LEVY MADE PURSUANT TO THIS CLAUSE IS DISCONTINUED, ONE-HALF OF THE AMOUNT OF THAT SPECIAL LEVY MADE IN THE PRECEDING YEAR SHALL BE ADDED TO THE PERMANENT LEVY BASE OF THE GOVERNMENTAL SUBDIVISION);

(n) recover a loss or refunds in tax receipts incurred in non-special levy funds resulting from abatements or court action in the previous year pursuant to section 275.48;

(o) 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 (FOR LEVY YEAR 1977 AND SUBSEQUENT YEARS) 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;

(p) pay the amounts allowed under section 174.27 to establish and administer a commuter van program;

(q) pay the costs of financial assistance to local governmental units and certain administrative, engineering, and legal expenses pursuant to Laws 1979, Chapter 253, Section 3;

(r) compensate for revenue lost as a result of abatements or court action pursuant to sections 270.07, 270.17 or 278.01 due to a reassessment ordered by the commissioner of revenue pursuant to section 270.16;

(s) pay the amounts required to compensate for a decrease in revenues from public service enterprises, municipal liquor stores, licenses, permits, fines, and forfeits, to the extent that the aggregate of revenues from these sources in the calendar year preceding the year of levy are less than the inflation adjusted aggregate of revenues from these sources in calendar year 1981. "Revenues" from a public service enterprise or a municipal liquor store means the net income or loss of the public service enterprise or municipal liquor store, determined by subtracting total expenses from total revenues, and before any contribution to or from the governmental subdivision. "Fines" for a municipal court means the net amount remaining after subtracting total municipal court expenses from total collections of municipal court fines. The "inflation adjusted aggregate of revenues in calendar year 1981" is the aggregate of revenues received in calendar year 1981 increased by a percentage equal to the total percentage increase in the consumer price index for the Minneapolis-St. Paul area from the calendar year 1981 to June of the levy year. The commissioner of revenue shall calculate and notify the governmental subdivisions of the inflation adjustment by September of the levy year. A governmental subdivision qualifies for this special levy only if the decrease in aggregate revenues as computed herein is equal to or greater than two percent of the levy limitation for the preceding levy year;

(t) pay the cost to a governmental subdivision of implementing section 18.023, including sanitation and reforestation, as defined in section 18.023, subdivision 1, provided that the subdivision did not levy a special levy for the taxes payable year 1981 pursuant to Minnesota Statutes 1980, section 275.50, subdivision 6;

(u) pay the cost of acquisition or betterment of property for which bonds could have been issued pursuant to section 475.52, subdivision 1, to the extent that the acquisition or betterment was paid for with funds not obtained by the issuance of obligations of the subdivision. When an amount is levied pursuant to this clause, the subdivision shall be subject to the procedures for public hearings and referendums established in chapters 373, 412 or 475 or special law, whichever is applicable, that would have applied if the subdivision had issued obligations to pay for the property;

(v) compensate for revenue lost as the result of a reduction of the following state aids or property tax credits and reimbursements:

(1) Local government aid paid pursuant to section 477A.015 if the reduction results in a local government aid distribution

which is less than the amount that was originally certified to the subdivision by the commissioner of revenue;

(2) Property tax credits and reimbursements determined in accordance with sections 273.115, 273.116, and 273.13, subdivision 6, 6a, 7, 7d, or 14a, which are paid pursuant to sections 273.139 and 273.13, subdivision 15a, provided that the reductions in the payment amounts are not due to errors in the abstracts of tax lists required to be filed with the commissioner of revenue by section 275.29;

(w) compensate for a reduction in federal general revenue sharing funds, for the levy year following any year in which the reduction exceeds ten percent of the amount received in the previous year.

The special levies established in Laws 1981, First Special Session, chapter 1, article V, sections 10, 11, and 12 or in any other general or special law enacted in the 1981 or 1982 sessions of the legislature shall continue to be levied outside of the levy limits set in sections 275.50 to 275.56.

Sec. 4. Minnesota Statutes 1982, section 275.50, is amended by adding a subdivision to read:

Subd. 8. [IMPLICIT PRICE DEFLATOR.] "Implicit price deflator" means the implicit price deflator for government purchases of goods and services for state and local government prepared by the bureau of economic analysis of the United States department of commerce.

Sec. 5. Minnesota Statutes 1982, section 275.51, is amended by adding a subdivision to read:

Subd. 3f. [LEVY LIMIT BASE.] (a) A governmental subdivision's levy limit base for the taxes payable year 1984 is established by adding the governmental subdivision's levy limitation for the taxes payable year 1983, calculated pursuant to Minnesota Statutes 1982, section 275.51, subdivision 3e, to the local government aid that it was certified to receive for calendar year 1983 pursuant to Minnesota Statutes 1982, sections 477A.011 to 477A.03.

(b) For the taxes payable year 1985 and subsequent years, a governmental subdivision's levy limit base is equal to its adjusted levy limit base for the preceding year.

Sec. 6. Minnesota Statutes 1982, section 275.51, is amended by adding a subdivision to read:

Subd. 3g. [ADJUSTED LEVY LIMIT BASE.] The adjusted levy limit base is equal to the levy limit base computed pursuant to subdivision 3f, increased by:

(a) a percentage equal to the percentage growth in the implicit price deflator for the 12-month period ending in the second quarter of the year preceding the taxes payable year, or seven percent, whichever is greater;

(b) a percentage equal to the greater of the percentage increases in population or in number of households, if any, for the most recent 12-month period for which data is available, using figures derived pursuant to section 11;

(c) the amount of any base adjustment authorized by the commissioner of revenue pursuant to subdivision 3h; and

(d) for the taxes payable year 1984, the amount by which its levy limitation for taxes payable in 1981 calculated pursuant to sections 275.50 to 275.56 exceeded the amount that it actually levied subject to limitation for taxes payable in 1981.

Sec. 7. Minnesota Statutes 1982, section 275.51, is amended by adding a subdivision to read:

Subd. 3h. [BASE ADJUSTMENTS.] The commissioner of revenue shall approve the following levy limit base adjustments:

(a) Any governmental subdivision which reduced any of its unreserved, undesignated fund balances because of spending for nonspecial levy purposes in calendar year 1981 may have its levy limit base increased by no more than the amount of the reduction in the fund balances;

(b) Any governmental subdivision which has been required to provide new or substantially expanded services because of judgments rendered against the governmental subdivision by a court of competent jurisdiction, changes in state law, rules, or regulations, whether or not the judgments rendered against the governmental subdivision by a court of competent jurisdiction, changed law, rule, or regulation directly mandates new services, may have its levy limit base increased by no more than the amount required to finance the services, provided that the services may not be financed by special levies or special assessments. For purposes of this clause, "substantially expanded services" means services of a type provided prior to the enactment of the change in state law but which are required to be provided under the changed law to an extent that will increase the cost of providing that type of service by 30 percent or more;

(c) Any governmental subdivision which has been required to provide new or expanded services because of annexations, consolidations, mergers or new incorporations since 1981 may have its levy limit base increased by no more than the amount required to finance the general operating costs involved in the services;

(d) Any governmental subdivision which levies a special levy for paying the costs of municipal services provided to new private industrial and nonresidential commercial development pursuant to section 275.50, subdivision 5, clause (m) may have its levy limit base increased for the year following the levy year in which the special levy is discontinued, by an amount equal to one-half of the amount levied as a special levy in the previous levy year; and

(e) Any city or town which has a levy limit base per capita that is below 85 percent of the arithmetic average of the levy limit base per capita for cities and towns subject to the levy limitations of sections 275.50 to 275.56 in the same economic development region may have its levy limit base increased by the amount required to bring its levy limit base per capita up to 85 percent of the arithmetic average of levy limit bases per capita for all cities and towns subject to the levy limitations of sections 275.50 to 275.56 in the region. On or before July 1 each year, the commissioner of revenue shall certify the average levy limit base per capita for each region for purposes of this clause.

Any governmental subdivision which desires to have its levy limit base adjusted under the provisions of this subdivision shall apply to the commissioner of revenue. Applications shall be in the form and accompanied by the data required by the commissioner.

Sec. 8. Minnesota Statutes 1982, section 275.51, is amended by adding a subdivision to read:

Subd. 3i. [LEVY LIMITATION.] The levy limitation for a governmental subdivision shall be equal to the adjusted levy limit base determined pursuant to subdivision 3g, reduced by the total amount of local government aid that the municipality has been certified to receive in the taxes payable year pursuant to sections 477A.011 to 477A.014. The resulting figure is the maximum amount that the municipality may levy for the taxes payable year for all purposes except special levies and special assessments.

Sec. 9. Minnesota Statutes 1982, section 275.51, subdivision 4, is amended to read:

Subd. 4. If in any year (SUBSEQUENT TO 1973) the levy made by a governmental subdivision exceeds the limitation provided in sections 275.50 to 275.56, except when (SUCH) the excess levy is due to the rounding of the mill rates of the governmental subdivision in accordance with section 275.28, subsequent distributions required to be made by the commissioner of finance from any formula aids pursuant to sections 477A.011 to (477A.014) 477A.015, shall be reduced 33 cents for each full dollar the levy exceeds the limitation; provided that a governmental subdivision may determine to levy in excess of the limita-

tion provided in sections 275.50 to 275.56 by not more than five percent by passing a resolution setting forth the amount by which the levy limit is proposed to be exceeded. Thereafter, the resolution shall be published for two successive weeks in the official newspaper of the governmental subdivision or if there is no official newspaper, in a newspaper of general circulation in the governmental subdivision, together with a notice fixing a date for a public hearing on the proposed increase. The hearing shall be held not less than two weeks nor more than four weeks after the first publication of the resolution. Following the public hearing, the governing body may determine to take no further action or, in the alternative, adopt a resolution authorizing the levy as originally proposed or approving a levy in the lesser amount it determines. The resolution authorizing a levy in excess of the limitation imposed by sections 275.50 to 275.56 shall be published in the official newspaper of the governmental subdivision or if there is no official newspaper, in a newspaper of general circulation in the governmental subdivision. If within 30 days thereafter a petition signed by voters equal in number to five percent of the votes cast in the governmental subdivision in the last general election or 2,000 voters, whichever is less, requesting a referendum on the proposed resolution is filed with the clerk or recorder of the governmental subdivision if the governmental subdivision is a city or town, or with the county auditor if the governmental subdivision is a county, the resolution shall not be effective until it has been submitted to the voters at a general or special election and a majority of votes cast on the question of approving the resolution are in the affirmative. The commissioner of revenue shall prepare a suggested form of question to be presented at the referendum. A levy approved at a referendum held at a special or general election held prior to October 1 in any levy year increases the allowable levy in that levy year and provides a permanent adjustment to the levy limit base per capita of the governmental subdivision for future levy years, and there shall be no reduction in distributions of formula aids to the governmental subdivision as a result of the levy.

Sec. 10. Minnesota Statutes 1982, section 275.53, is amended by adding a subdivision to read:

Subd. 1b. [POPULATION AND HOUSEHOLD ESTIMATES.] For the purpose of determining the amount of tax that a governmental subdivision may levy in accordance with limitation established by this chapter, the population or the number of households of the governmental subdivision shall be that established by the last federal census, by a census taken pursuant to subdivision 2, or by an estimate made by the metropolitan council, or by the state demographer made pursuant to section 116J.42, subdivision 7, clause (10), whichever is the most recent as to the stated date of count or estimate, up to and including July 1 of the current levy year.

Sec. 11. [REPEALER.]

Minnesota Statutes 1982, section 275.51, subdivision 3e, is repealed.

Sec. 12. [EFFECTIVE DATE.]

This article is effective for taxes levied in 1983, payable in 1984, and thereafter.

Article 2

Local Government Aids

Section 1. Minnesota Statutes 1982, section 16A.15, is amended by adding a subdivision to read:

Subd. 6. [BUDGET RESERVE ACCOUNT.] The commissioner of finance on July 1, 1983, shall transfer \$250,000,000 to a budget reserve account in the general fund in the state treasury. On July 1 of each odd-numbered year thereafter, the commissioner shall transfer to that budget reserve account an amount equal to 2-1/2 percent of the current total biennial general fund expenditures and transfers less dedicated revenue expenditures or a lesser amount as necessary to create a balance in the budget reserve account equal to five per cent of the then current biennium's total general fund expenditures and transfers less dedicated expenditures. The commissioner may transfer moneys in the budget reserve account to the unrestricted general fund balance at any time pursuant to this section.

Sec. 2. Minnesota Statutes 1982, section 477A.01, is amended by adding a subdivision to read:

Subd. 1a. [PURPOSE.] The state shall annually make payments of local government aids to units of local government within the state, through a distribution formula which is fair and equitable, for the purposes of providing property tax relief.

Sec. 3. Minnesota Statutes 1982, section 477A.011, subdivision 2, is amended to read:

Subd. 2. [(MUNICIPALITY) CITY.] (MUNICIPALITY) City means a statutory or home rule charter city, or a town having the powers of a statutory city pursuant to section 368.01 or special law and having a population of 5,000 or more according to the latest federal census.

Sec. 4. Minnesota Statutes 1982, section 477A.011, is amended by adding a subdivision to read:

Subd. 2a. [TOWN.] Town means a town which does not fall under the definition of city in subdivision 2.

Sec. 5. Minnesota Statutes 1982, section 477A.011, subdivision 3, is amended to read:

Subd. 3. [(POPULATION) NUMBER OF HOUSEHOLDS.] (POPULATION) *Number of households* means the (POPULATION) *number of households* established by the most recent federal census, by a special census conducted under contract with the United States bureau of the census, by (A POPULATION) *an estimate* made by the metropolitan council, or by (A POPULATION) *an estimate* of the state demographer made pursuant to section 116J.42, subdivision 7, clause (10), whichever is the most recent as to the stated date of the count or estimate.

Sec. 6. Minnesota Statutes 1982, section 477A.011, subdivision 4, is amended to read:

Subd. 4. [EQUALIZED MUNICIPAL MILL RATE.] For any calendar year, a municipality's equalized municipal mill rate means (ITS MUNICIPAL MILL RATE FOR TAXES PAYABLE IN THAT YEAR MULTIPLIED BY ITS AGGREGATE SALES RATIO FOR THE PREVIOUS YEAR AS PREPARED BY THE DEPARTMENT OF REVENUE PURSUANT TO SECTION 124.2131) *the sum of its expenditures in the calendar year for general government, public safety, health and welfare, and public works excluding sewage collection and disposal, and including street cleaning but excluding the other components of the sanitation category, according to the uniform chart of accounts developed and maintained by the state auditor, divided by its equalized assessed value for the calendar year.*

Sec. 7. Minnesota Statutes 1982, section 477A.011, subdivision 5, is amended to read:

Subd. 5. [AVERAGE EQUALIZED MUNICIPAL MILL RATE.] For any calendar year aid distribution, a municipality's average equalized municipal mill rate means the arithmetic average of its equalized municipal mill rate for the (THREE) *two consecutive* calendar years ending two years previous to the aid distribution year.

Sec. 8. Minnesota Statutes 1982, section 477A.011, subdivision 8, is amended to read:

Subd. 8. [(PREVIOUS) BASE YEAR AID.] (FOR THE 1982 AID DISTRIBUTION, A MUNICIPALITY'S PREVIOUS) *Base year aid* means (ITS) *the aid amount initially certified for distribution in 1981* (COMPUTED) pursuant to Minnesota Statutes 1980, Sections 477A.01 and 477A.03 (, NOTWITHSTANDING THE AMOUNT WITHHELD PURSUANT TO SECTION

16A.15 BECAUSE FUNDS IN THE STATE TREASURY WERE INSUFFICIENT. FOR 1983 AND ALL SUBSEQUENT CALENDAR YEAR AID DISTRIBUTIONS, PREVIOUS YEAR AID MEANS AID RECEIVED PURSUANT TO SECTIONS 477A.011 TO 477A.014 IN THE PREVIOUS CALENDAR YEAR).

Sec. 9. Minnesota Statutes 1982, section 477A.011, subdivision 11, is amended to read:

Subd. 11. [EQUALIZED ASSESSED VALUE.] For any calendar year (AID DISTRIBUTION), a municipality's equalized assessed value means its (PREVIOUS YEAR) taxable valuation *for taxes payable in that year*, adjusted for the contributions and distributions required by chapter 473F in the case of a city or town located within the metropolitan area and less the captured value 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).

Sec. 10. Minnesota Statutes 1982, section 477A.012, is amended to read:

477A.012 [COUNTY GOVERNMENT DISTRIBUTIONS.]

In each calendar year, every county government except that of a county containing a city of the first class shall receive a distribution equal to its (PREVIOUS) base year aid.

Sec. 11. Minnesota Statutes 1982, section 477A.013, subdivision 1, is amended to read:

Subdivision 1. [(MUNICIPALITIES UNDER 2,500 POPULATION) TOWNS.] In each calendar year, each (MUNICIPALITY WHICH IS NOT COVERED BY THE PROVISIONS OF SUBDIVISION 2) *town which has an average equalized mill rate of at least two mills* shall receive a distribution equal to the proportion that its (PREVIOUS) base year aid (PLUS ITS MINIMUM INCREASE) bears to the total base year aid for all towns which have average equalized mill rates of at least two mills. *The total amount of aid distributed pursuant to this subdivision shall be \$12,500,000 for each calendar year.*

Sec. 12. Minnesota Statutes 1982, section 477A.013, subdivision 2, is amended to read:

Subd. 2. [(MUNICIPALITIES OVER 2,500 POPULATION) CITIES.] In each calendar year, each (STATUTORY AND HOME RULE CHARTER) city (, AND EACH TOWN HAVING THE POWERS OF A STATUTORY CITY PURSUANT TO SECTION 368.01 OR SPECIAL LAW, WHICH HAS A POPULATION OF 2,500 OR MORE ACCORDING TO THE

LATEST FEDERAL CENSUS) shall (RECEIVE A) *have a preliminary distribution equal to (THE AMOUNT OBTAINED BY SUBTRACTING THE PRODUCT OF 10 MILLS AND THE MUNICIPALITY'S EQUALIZED ASSESSED VALUE FROM THE LOCAL REVENUE BASE. THIS AMOUNT SHALL THEN BE ADJUSTED, SO THAT IT IS NEITHER LESS THAN THE SUM OF ITS PREVIOUS YEAR AID AND ITS MINIMUM INCREASE, NOR GREATER THAN THE SUM OF ITS PREVIOUS YEAR AID AND ITS MAXIMUM INCREASE) the sum of the amounts determined under clauses (a), (b), and (c) below:*

(a) *Each city shall receive \$50 per household;*

(b) *Fifty percent of the remaining money appropriated for local government aid in that calendar year, after distributions pursuant to section 477A.012; 477A.013, subdivision 1; and clause (a) above, shall be distributed to cities in proportion to the factor obtained by multiplying the city's number of households by the ratio of total per household valuation to the subdivision's per household valuation, relative to the sum of the factors for all cities in the state. As used in this subdivision, "per household valuation" means a city's equalized assessed value for the calendar year two years previous to the aid distribution year, divided by the city's number of households, and "total per household valuation" means the total equalized assessed value for the calendar year two years previous to the aid distribution year for all cities in the state divided by the total number of households for all cities in the state.*

(c) *An amount equal to the amount distributed through clause (b) shall be distributed to all cities in proportion to the product of its number of households and equalized mill rate relative to that of the other cities in the state.*

For the calendar year 1984 distribution, the final aid amount shall be the weighted average of the preliminary distribution, with a weighting factor of 1, and the base year aid, with a weighting factor of 2.

For the calendar year 1985 distribution, the final aid amount shall be the weighted average of the preliminary distribution, with a weighting factor of 2, and the base year aid, with a weighting factor of 1.

For the calendar year 1986 and subsequent year aid distributions, the final aid amount shall be equal to the preliminary aid amount.

Any city which has a population of less than 2,500 according to the 1980 federal census and which receives a distribution pursuant to this section that is less than the distribution it re-

ceived in 1983, shall receive a supplemental distribution equal to the amount by which the distribution was reduced.

Sec. 13. [477A.0135] [INELIGIBLE LOCAL UNITS OF GOVERNMENT.]

If a county or municipality purchases labor or materials used in highway construction or maintenance from a prison industry located in another state which could have been purchased from a Minnesota supplier, the county or municipality is ineligible to receive a distribution of local government aid under this chapter for the remainder of the calendar year in which the purchase is made and for the full calendar year following the year of the purchase.

Sec. 14. [477A.017] [UNIFORM FINANCIAL ACCOUNTING AND REPORTING SYSTEM.]

Subdivision 1. [PURPOSE.] Sections 477A.011 to 477A.03 are designed to provide property tax relief to local units of government. In order for the legislature to determine the amounts of relief necessary each year, the legislature must have uniform and current financial information from the governmental units which receive aid distributions. This section is intended to provide that information.

Subd. 2. [STATE AUDITOR'S DUTIES.] The state auditor shall prescribe uniform financial accounting and reporting standards in conformity with national standards.

Subd. 3. [GOVERNOR'S DUTIES.] The governor shall by executive orders constitute a council on county financial accounting and reporting standards and a council on municipal financial accounting and reporting standards to advise the state auditor.

Subd. 4. [CONFORMITY.] Other law to the contrary notwithstanding, in order to receive distributions under sections 477A.011 to 477A.03, counties and cities must conform to the standards set in subdivision 2 in making all financial reports required to be made to the state auditor after June 30, 1984.

Sec. 15. Minnesota Statutes 1982, section 477A.03, subdivision 1, is amended to read:

Subdivision 1. [(ANNUAL) APPROPRIATION.] (A SUM SUFFICIENT) The sum of \$ for calendar year 1984 and \$ for calendar year 1985 to discharge the duties imposed by sections 477A.011 to 477A.014 is (ANNUALLY) appropriated from the general fund to the commissioner of revenue.

Sec. 16. [LOCAL GOVERNMENT FINANCE STUDY.]

Subdivision 1. A legislative study commission is created to study local government finance, in particular but not limited to,

(a) the effect of existing levy limit laws,

(b) assessment procedures and policies,

(c) the feasibility of all local government units adopting a uniform fiscal year conforming to the state fiscal year, and

(d) the timeliness and sufficiency of the provision to the state of information about local government finance.

Subd. 2. The commission shall consist of five members of the house of representatives appointed by the speaker, three of whom shall be from the majority caucus and two of whom shall be from the minority caucus, and five members of the senate appointed by the senate rules and administration committee, three of whom shall be from the majority caucus and two of whom shall be from the minority caucus. Any vacancy shall be filled by the appointing power.

Subd. 3. The commission may act from the time its members are appointed until the commencement of the 1984 regular meeting of the legislature. It shall report its findings and recommendations to the legislature not later than January 31, 1984.

Subd. 4. The commission may hold meetings and hearings at the times and places it designates to accomplish the purposes set forth in this act. It shall select a chairman and other officers from its membership as necessary.

Subd. 5. Members of the commission shall be reimbursed in the same manner and amount as for other legislative service. It shall use the staff and administrative support of existing legislative service offices.

Sec. 17. [REPEALER.]

Minnesota Statutes 1982, sections 477A.011, subdivisions 6, 7, 9, and 10; and 477A.03, subdivision 2, are repealed.

Sec. 18. [EFFECTIVE DATE.]

This article is effective on January 1, 1984, except for sections 1, 13, 14, and 16 which are effective July 1, 1983."

Delete the title and insert:

"A bill for an act relating to state-local fiscal relations; authorizing the creation of a budget reserve account; authorizing

a transfer of funds within the state treasury; exempting certain governmental units from levy limitations; authorizing additional special levies; providing a method for determining levy limitations; modifying the distribution formula for local government aids; making certain local government units ineligible for state aid distribution; providing for the development of uniform financial accounting and reporting standards for counties, cities, and towns; amending Minnesota Statutes 1982, sections 16A.15, by adding a subdivision; 116J.42, subdivision 7; 275.50, subdivisions 2, 5, and by adding a subdivision; 275.51, subdivision 4, and by adding subdivisions; 275.53, by adding a subdivision; 477A.01, by adding a subdivision; 477A.011, subdivisions 2, 3, 4, 5, 8, 11, and by adding a subdivision; 477A.012; 477A.013, subdivisions 1 and 2; 477A.03, subdivision 1; proposing new law coded in Minnesota Statutes, chapter 477A; repealing Minnesota Statutes 1982, sections 275.51, subdivision 3e; 477A.011, subdivisions 6, 7, 9, and 10; and 477A.03, subdivision 2."

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

The report was adopted.

Vanasek from the Committee on Judiciary to which was referred:

S. F. No. 87, A bill for an act relating to public welfare; requiring reporting of abuse or neglect of children; exempting determinations of eligibility for day care and foster care licenses from application of the Minnesota criminal offenders rehabilitation law; requiring arrest information and reports to be made available to the commissioner of public welfare for the purpose of investigating applicants for a day care or residential facility license; establishing the burden of proof in certain appeals; providing for appointment of guardianship of children whose parents are deceased; clarifying investigative authority of welfare agencies in making mandated investigations of physical or sexual abuse and neglect; amending Minnesota Statutes 1982, sections 245.783, subdivision 3; 245.801, subdivision 4; 260.011, subdivision 2; 260.242, subdivision 2, and by adding a subdivision; 364.09; and 626.556, subdivisions 2, 4, 7, and 10.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1982, section 245.783, subdivision 3, is amended to read:

Subd. 3. [STUDY OF APPLICANT.] Before issuing a license or renewing a license, the commissioner shall conduct a study of the applicant and the agency or the day care or residen-

tial facility. The bureau of criminal apprehension, a county attorney, a county sheriff, and a chief of a local police department (WITH THE INFORMED CONSENT OF), after notice to the subject of the data, shall assist in this study by providing to the commissioner, the director of any local agency responsible for licensing, or their representatives all criminal conviction data, arrest information, reports regarding abuse or neglect of children, and investigation results available from local, state, and national criminal history record repositories, including the criminal justice data communications network, pertaining to the following individuals connected with the application for or renewal of a license: applicants, operators, all persons living in the household, all staff of any day care or residential facility and all staff of agencies placing children for care. If the commissioner is satisfied that the provisions of sections 245.781 to 245.812 and 252.28, subdivision 2 and the applicable rules (AND REGULATIONS) promulgated by him are substantially met, a license shall be issued. If the results of the study indicate that all of the applicable laws (,) and rules (AND REGULATIONS) cannot be met immediately, but can and will be met within one year or less, and the deviations do not threaten the health, rights, or safety of persons to be served, a provisional license may be issued for a period not to exceed one year from the date of issuance.

The commissioner may request advice from persons using the facility, agency, or service, operators of a similar facility, agency, or service, and relevant professionals as part of the evaluation of an applicant.

Sec. 2. Minnesota Statutes 1982, section 245.801, subdivision 4, is amended to read:

Subd. 4. [SUSPENSION; APPEAL.] An operator whose license the commissioner proposes to suspend, revoke, or make probationary shall be given notice by certified mail addressed to the location shown on the license. The notice shall contain a statement of, and the reasons for, the proposed action and shall inform the operator of his right to appeal the decision to the commissioner, in writing, within ten days after receipt of the notice of the proposed action. Upon receiving a timely written appeal, the commissioner shall give the operator reasonable notice and an opportunity for a prompt hearing before an impartial hearing examiner. *The local welfare agency may demonstrate reasonable cause to revoke, suspend, not renew, or make probationary a family foster care or family day care license by submitting reports, statements, affidavits, or other reliable hearsay to substantiate the allegations of noncompliance with rules promulgated by the commissioner pursuant to section 245.802 governing family foster care licensing and family day care licensing. Upon demonstration by the agency that reasonable cause exists to take the proposed action with respect to a family foster care or family day care license, the burden of proof shifts to the licensee to demonstrate compliance with the rule by a preponderance of the evidence.* The hearing examiner shall make a recommenda-

tion to the commissioner as to whether the license shall be suspended, revoked, or made probationary. However, if the commissioner finds that the health, safety or rights of the persons served by the facility or agency are in imminent danger, he shall order the immediate suspension of the license. The operator shall be given written notice of the order by personal service. The notice shall contain a statement of the reasons for the suspension and shall inform the operator of his right to petition the commissioner for reconsideration of the order. The petition shall be in writing and shall be made within five days after the personal service of the order. Upon receiving a timely written petition, the commissioner shall give the operator reasonable notice and an opportunity for a prompt hearing before an impartial hearing examiner with respect to the order of suspension of the license. The hearing examiner shall make a recommendation to the commissioner as to whether the order of suspension should be affirmed or reversed. The commissioner shall not be bound by the recommendation of the hearing examiner. The final decision of the commissioner shall be served on the operator by personal service, and shall inform the applicant of his rights under chapter 14 and as stated in this section.

Sec. 3. Minnesota Statutes 1982, section 260.242, is amended by adding a subdivision to read:

Subd. 1a. [BOTH PARENTS DECEASED.] If upon petition to the juvenile court by a reputable person, including but not limited to an agent of the commissioner of public welfare, and upon hearing in the manner provided in section 260.155, the court finds that both parents are deceased and no appointment has been made or petition for appointment filed pursuant to sections 525.615 to 525.6185, the court shall order the guardianship and legal custody of the child transferred to:

- (a) the commissioner of public welfare;*
- (b) a licensed child placing agency; or*
- (c) an individual who is willing and capable of assuming the appropriate duties and responsibilities to the child.*

Sec. 4. Minnesota Statutes 1982, section 260.242, subdivision 2, is amended to read:

Subd. 2. [GUARDIAN'S POWERS.] (a) A guardian appointed under the provisions of (SUBDIVISION 1) *this section* has legal custody of his ward unless the court which appoints him gives legal custody to some other person. If the court awards custody to a person other than the guardian, the guardian nonetheless has the right and responsibility of reasonable visitation, except as limited by court order.

(b) The guardian may make major decisions affecting the person of his ward, including but not limited to giving consent (when consent is legally required) to the marriage, enlistment in the armed forces, medical, surgical, or psychiatric treatment, or adoption of the ward. When, pursuant to (SUBDIVISION 1, CLAUSE (A)) *this section*, the commissioner of public welfare is appointed guardian, he may delegate to the welfare board of the county in which, after the appointment, the ward resides, the authority to act for him in decisions affecting the person of his ward, including but not limited to giving consent to the marriage, enlistment in the armed forces, medical, surgical, or psychiatric treatment of the ward.

(c) A guardianship created under the provisions of (SUBDIVISION 1) *this section* shall not of itself include the guardianship of the estate of the ward.

Sec. 5. Minnesota Statutes 1982, section 364.09, is amended to read:

364.09 [LAW ENFORCEMENT; EXCEPTION.]

This chapter shall not apply to the practice of law enforcement (; BUT) *or to eligibility for a family day care license or a family foster care license*. Nothing in this section shall be construed to preclude the Minnesota police and peace officers training board from recommending policies set forth in this chapter to the attorney general for adoption in his discretion *to apply to law enforcement*.

Sec. 6. Minnesota Statutes 1982, section 626.556, subdivision 1, is amended to read:

Subdivision 1. [PUBLIC POLICY.] The legislature hereby declares that the public policy of this state is to protect children whose health or welfare may be jeopardized through physical abuse, neglect or sexual abuse; to strengthen the family and make the home, school, and community safe for children (THROUGH IMPROVEMENT OF PARENTAL AND GUARDIAN CAPACITY FOR) *by promoting* responsible child care *in all settings*; and to provide, *when necessary*, a safe temporary or permanent home environment for physically or sexually abused children.

In addition, it is the policy of this state to require the reporting of suspected neglect, physical or sexual abuse of children *in the home, school, and community settings*; to provide for the voluntary reporting of abuse or neglect of children; to require the investigation of such reports; and to provide protective and counseling services in appropriate cases.

Sec. 7. Minnesota Statutes 1982, section 626.556, subdivision 2, is amended to read:

Subd. 2. [DEFINITIONS.] As used in this section, the following terms have the meanings given them unless the specific content indicates otherwise:

(a) "Sexual abuse" means the subjection by (THE CHILD'S PARENTS, GUARDIAN, OR) a person responsible for the child's care, to any act which constitutes a violation of sections 609.342, 609.343, 609.344, or 609.345, or sections 609.364 to 609.3644. Sexual abuse also includes any act which involves a minor which constitutes a violation of sections 609.321 to 609.324 or 617.246.

(b) "Person responsible for the child's care" means a parent, guardian, teacher, school administrator, or other lawful custodian of a child having either full-time or short-term care responsibilities including, but not limited to, day care, baby sitting, counseling, teaching, and coaching.

((B)) (c) "Neglect" means failure by a (PARENT, GUARDIAN OR OTHER) person responsible for a child's care to supply a child with necessary food, clothing, shelter or medical care when reasonably able to do so or failure to protect a child from conditions or actions which imminently and seriously endanger the child's physical or mental health when reasonably able to do so. Nothing in this section shall be construed to mean that a child is neglected solely because the child's parent, guardian or other person responsible for his care in good faith selects and depends upon spiritual means or prayer for treatment or care of disease or remedial care of the child; nor shall anything in this section be construed to impose upon persons, not otherwise legally responsible for providing a child with necessary food, clothing, and medical care, a duty to provide such care.

((C)) (d) "Physical abuse" means:

(i) Any physical injury *intentionally* inflicted by a (PARENT, GUARDIAN OR OTHER) person responsible for the child's care on a child other than by accidental means; or

(ii) Any physical injury that cannot reasonably be explained by the history of injuries provided by a (PARENT, GUARDIAN OR OTHER) person responsible for the child's care.

((D)) (e) "Report" means any report received by the local welfare agency, police department or county sheriff pursuant to this section.

((E)) (f) "Facility" means a day care facility (OR A), residential facility (AS DEFINED IN SECTION 245.782), agency, hospital, sanatorium, or other facility or institution required to be licensed pursuant to sections 144.50 to 144.58, 241.021, or 245.781 to 245.812.

((F)) (g) "Operator" means an operator or agency as defined in section 245.782.

Sec. 8. Minnesota Statutes 1982, section 626.556, subdivision 4, is amended to read:

Subd. 4. [IMMUNITY FROM LIABILITY.] Any person, including those voluntarily making reports and those required to make reports under subdivision 3, participating in good faith and exercising due care in the making of a report pursuant to this section shall have immunity from any liability, civil or criminal, that otherwise might result by reason of his action.

Any public or private school, facility as defined in section 7, or the employee of any public or private school or facility who permits access by a local welfare agency and assists in good faith in an investigation pursuant to subdivision 10 shall have immunity from any liability, civil or criminal, that otherwise might result by reason of that action.

This subdivision does not provide immunity to any person for failure to make a required report or for committing neglect, physical abuse, or sexual abuse of a child.

Sec. 9. Minnesota Statutes 1982, section 626.556, subdivision 7, is amended to read:

Subd. 7. [REPORT.] An oral report shall be made immediately by telephone or otherwise. An oral report made by a person required under subdivision 3 to report shall be followed as soon as possible by a report in writing to the appropriate police department, the county sheriff or local welfare agency. Any report shall be of sufficient content to identify the child, the (PARENT, GUARDIAN, OR OTHER) person responsible for his care, the nature and extent of the child's injuries and the name and address of the reporter. Written reports received by a police department or the county sheriff shall be forwarded immediately to the local welfare agency. The police department or the county sheriff may keep copies of reports received by them. Copies of written reports received by a local welfare department shall be forwarded immediately to the local police department or the county sheriff.

A written copy of a report maintained by personnel of agencies, other than welfare or law enforcement agencies, which are subject to chapter 13 shall be confidential. An individual subject of the report may obtain access to the original report as provided by subdivision 11.

Sec. 10. Minnesota Statutes 1982, section 626.556, subdivision 10, is amended to read:

Subd. 10. [DUTIES OF LOCAL WELFARE AGENCY UPON RECEIPT OF A REPORT.] (a) *If the report alleges neglect, physical abuse, or sexual abuse by a parent, guardian, or individual functioning within the family unit as a person responsible for a child's care, the local welfare agency shall immediately investigate and offer protective social services for purposes of preventing further abuses, safeguarding and enhancing the welfare of the abused or neglected minor, and preserving family life whenever possible. When necessary the local welfare agency shall seek authority to remove the child from the custody of his parent, guardian or adult with whom he is living. In performing any of these duties, the local welfare agency shall maintain appropriate records.*

(b) *Authority of the local welfare agency responsible for investigating the child abuse report shall include, but not be limited to, authority to interview, without parental consent, the alleged victim and any other minors who currently reside with or who have resided with the alleged perpetrator. The interview may take place at school or any facility or other place where the alleged victim or other minors might be found and may take place outside the presence of the perpetrator or parent, legal custodian, or guardian. Except as provided in this clause, the parent, legal custodian, or guardian shall be notified, no later than the conclusion of the investigation, that this interview has occurred. Notwithstanding rule 49.02 of the Minnesota Rules of Procedure for Juvenile Courts, the juvenile court may, after hearing on an ex parte motion by the local welfare agency, order that, where reasonable cause exists, notification of this interview be withheld from the parent, legal custodian, or guardian.*

(c) *When the local welfare agency determines that an interview should take place on school property, written notification must be received by school officials prior to the interview. The notification shall include the name of the child to be interviewed, the purpose of the interview, and the reference to the statutory authority to conduct an interview on school property. The notification shall be signed by the chairman of the county welfare board or his designee. The time, place, and manner of the interview on school premises shall be within the discretion of school officials. The conditions as to time, place, and manner of the interview set by the school officials shall be reasonable and the interview shall be conducted not more than 24 hours after the receipt of the notification unless another time is deemed necessary by agreement between the school officials and the local welfare agency. School officials shall not disclose to the parent, legal custodian, guardian, or perpetrator that a request to interview the child has been made until after the abuse investigation has been concluded. Every effort shall be made to reduce the disruption of the educational program of the child, other students, or school staff when an interview is conducted on school premises.*

(d) *Where the perpetrator or a person responsible for the care of the alleged victim or other minor prevents access to the*

victim or other minor by the local welfare agency, the juvenile court may order the parents, legal custodian, or guardian to produce the alleged victim or other minor for questioning by the local welfare agency outside the presence of the perpetrator or any person responsible for the child's care at reasonable places and times as specified by court order.

(e) Before making an order under paragraph (d), the court shall issue an order to show cause, either upon its own motion or upon a verified petition, specifying the basis for the requested interviews and fixing the time and place of the hearing. The order to show cause shall be served personally and shall be heard in the same manner as provided in other cases in the juvenile court. The court shall consider the need for appointment of a guardian ad litem to protect the best interests of the child. If a guardian ad litem is appointed, he shall be present at the hearing on the order to show cause.

(f) The commissioner and the local welfare agencies responsible for investigating reports have the right to enter facilities as defined in section 7 and to inspect and copy the facility's records as part of the investigation. Notwithstanding the provisions of chapter 13, they also have the right to inform the facility under investigation that they are conducting an investigation, to disclose to the facility the names of the individuals under investigation for abusing or neglecting a child, and to provide the facility with a copy of the report and the investigative findings.

Sec. 11. Minnesota Statutes 1982, section 626.556, is amended by adding a subdivision to read:

Subd. 10a. [ABUSE OUTSIDE THE FAMILY UNIT.] If the report alleges neglect, physical abuse, or sexual abuse by an individual functioning outside the family unit as a person responsible for a child's care in a setting other than a facility as defined in section 7, the local welfare agency shall immediately notify the appropriate law enforcement agency and shall offer appropriate social services for the purpose of safeguarding and enhancing the welfare of the abused or neglected minor.

Sec. 12. Minnesota Statutes 1982, section 626.556 is amended by adding a subdivision to read:

Subd. 10b. [DUTIES OF COMMISSIONER; NEGLECT OR ABUSE IN A FACILITY.] If the report alleges that a child in the care of a facility as defined in section 7 is neglected, physically abused, or sexually abused by an individual in that facility, the commissioner shall immediately investigate. The commissioner shall arrange for the transmittal to him or her of reports received by local agencies and may delegate to a local welfare agency the duty to investigate reports. In conducting an investigation under this section, the commissioner has the

powers and duties specified for local welfare agencies under this section."

Amend the title as follows:

Page 1, line 19, delete "and" and after "10" insert ", and by adding subdivisions"

With the recommendation that when so amended the bill pass.

The report was adopted.

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

S. F. No. 148, A bill for an act relating to natural resources; authorizing the commissioner of natural resources to extend timber permits; amending Laws 1981, chapter 305, section 11, as amended.

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

The report was adopted.

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

S. F. No. 455, A bill for an act relating to nonprofit corporations; providing for approval of certain actions by boards of directors without formal board meetings; amending Minnesota Statutes 1982, section 317.20, subdivision 12.

Reported the same back with the following amendments:

Page 1, line 16, after "shareholder" insert "or membership"

Page 1, line 19, before the period insert "; provided that all directors must be notified of the text of the written action and its effective date prior to its effective date"

Page 1, line 25, delete "text and"

With the recommendation that when so amended the bill pass.

The report was adopted.

Anderson G., from the Committee on Local and Urban Affairs to which was referred:

S. F. No. 464, A bill for an act relating to port authorities; providing for approval of port authority land sales; amending Minnesota Statutes 1982, section 458.17.

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

The report was adopted.

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

S. F. No. 591, A bill for an act relating to insurance; health and accident; prohibiting provider discrimination in insurance policies covering mental health services; amending Minnesota Statutes 1982, section 62A.152, by adding a subdivision.

Reported the same back with the following amendments:

Page 1, line 12, delete "*providing*" and insert "*that provide*"

Page 1, line 13, delete "*which may*"

Page 1, delete lines 14 and 15

Page 1, line 16, delete "*sections 148.88 to 148.98*"

Page 1, line 17, delete "*whether*" and insert "*if*"

Page 1, line 17, delete "*duly licensed physician or*"

Page 1, line 18, before the period insert "*to the extent that the services and treatment are within the scope of licensed consulting psychologist licensure*"

With the recommendation that when so amended the bill pass.

The report was adopted.

Vanasek from the Committee on Judiciary to which was referred:

S. F. No. 684, A bill for an act relating to mortgage registry tax; providing for a valid and recordable security in a variable debt instrument; waiving mortgage registry tax for marriage dissolution instruments; amending Minnesota Statutes 1982, sections 287.01, subdivision 3; 287.03; and 287.04.

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

The report was adopted.

Norton from the Committee on Governmental Operations to which was referred:

S. F. No. 767, A bill for an act relating to retirement; authorizing the purchase of prior service credit in the Minnesota state retirement system by certain employees or former employees of the legislature or joint legislative agencies or commissions; proposing new law coded in Minnesota Statutes, chapter 352D.

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

The report was adopted.

Vanasek from the Committee on Judiciary to which was referred:

S. F. No. 844, A bill for an act relating to crimes; changing the penalty for the theft of controlled substances; amending Minnesota Statutes 1982, section 609.52, subdivision 3.

Reported the same back with the following amendments:

Page 1, line 15, after "152.02" insert "*with the exception of marijuana*"

With the recommendation that when so amended the bill pass.

The report was adopted.

Vanasek from the Committee on Judiciary to which was referred:

S. F. No. 854, A bill for an act relating to commerce; providing for the filing and recording of mortgages and deeds of trust of pipeline companies; amending Minnesota Statutes 1982, section 300.115.

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

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. Nos. 111, 245, 594, 642, 681, 748, 847, 873, 926, 1040, 1049, 1065, 1074, 1100, 1101, 1106 and 1136 were read for the second time.

SECOND READING OF SENATE BILLS

S. F. Nos. 292, 87, 148, 455, 464, 591, 684, 767, 844 and 854 were read for the second time.

INTRODUCTION AND FIRST READING
OF HOUSE BILLS

The following House Files were introduced:

Swanson introduced:

H. F. No. 1250, A bill for an act relating to patient data; changing requirements for release of records; amending Minnesota Statutes 1982, section 144.335, subdivision 2.

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

Norton, Wynia, Vellenga, O'Connor and Staten introduced:

H. F. No. 1251, A bill for an act relating to transportation; designating the highway marked No. I-94 within the St. Paul city limits as the "Wilkins Memorial Expressway"; appropriating money; amending Minnesota Statutes 1982, section 161.14, by adding a subdivision.

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

Fjoslien and Wenzel introduced:

H. F. No. 1252, A bill for an act relating to taxation; sales and use; exempting admissions to high school athletic events; amending Minnesota Statutes 1982, section 297A.25, subdivision 1.

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

Vanasek introduced:

H. F. No. 1253, A bill for an act relating to taxation; property; providing that sales ratio studies are inadmissible in actions challenging real estate taxes; amending Minnesota Statutes 1982, section 278.05, subdivision 4.

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

Jennings introduced:

H. F. No. 1254, A bill for an act relating to taxation; reducing the rate of tax on certain corporate income; amending Minnesota Statutes 1982, section 290.06, subdivision 1.

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

Jennings, Pauly and Johnson introduced:

H. F. No. 1255, A bill for an act relating to the legislature; extending the provisions of the open meetings law to the legislature; amending Minnesota Statutes 1982, section 471.705.

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

Jennings introduced:

H. F. No. 1256, A bill for an act relating to taxation; income; reducing the corporate tax rate on certain income; amending Minnesota Statutes 1982, section 290.06, subdivision 1.

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

Rice and Begich introduced:

H. F. No. 1257, A bill for an act relating to occupations and professions; regulating entertainment agencies; providing penalties; proposing new law coded as Minnesota Statutes, chapter 184A.

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

Vanasek introduced:

H. F. No. 1258, A bill for an act relating to taxation; abolishing the aggregate removal tax; allowing Le Sueur County to impose an aggregate removal tax; prescribing penalties; repealing Minnesota Statutes 1982, section 298.75; Laws 1961, chapter 605; Laws 1963, chapter 475; Laws 1965, chapter 163; Laws 1977, chapters 112 and 117; and Laws 1979, chapter 273.

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

Tomlinson, Sieben and Eken introduced:

H. F. No. 1259, A bill for an act relating to taxation; modifying the definition of gross income; adopting federal definitions of itemized deductions; updating the references to the Internal Revenue Code; extending the duration of the temporary income tax surtax; modifying the deduction of federal income taxes; assigning certain gambling winnings by nonresidents to Minnesota; imposing withholding tax on certain gambling winnings and horse racing purses; repealing certain income tax credits for pollution control expenditures; changing the refund method for the sales tax on electricity used in agricultural production; making the six percent sales and use tax rate permanent; increasing the motor vehicle excise tax rate to six percent; modifying the enterprise zone law; providing for state tax incentives in enterprise zones; limiting the number of enterprise zones; reducing the corporate income tax rate; eliminating the deduction for certain income and franchise taxes paid by corporations; eliminating the deduction for corporate capital gains; providing small business investment credits; modifying the definition of market value; requiring additional information on the certificate of value; mandating that homestead affidavits be filed in all counties; requiring that all contracts for deed be recorded; restricting the use of sales ratio studies as evidence; eliminating the agricultural mill rate credit on farm homes; increasing the agricultural mill rate credit on certain property; modifying the wetlands credit; modifying the utility property tax credit; limiting the reduced assessment rate for certain structures used for housing; changing certain property tax classification ratios; exempting contracts for deed from the mortgage registry tax and providing penalties for failure to file; exempting cities and towns with populations under 5,000 from levy limitations; modifying the method by which levy limitations are calculated; adding a special levy for certain county purposes; establishing a new homestead credit formula for certain homestead property; modifying the property tax refund formula; changing the payment dates for the property tax refund; repealing the rent capitalization method used in assessing agricultural land; repealing the native prairie credit and reimbursement; repealing the wetlands reimbursement; modifying school district cash flow; establishing school aid payment dates for fiscal year 1985 and years thereafter; requiring that property taxes be paid 15 days earlier; altering property tax settlement dates; appropriating money; amending Minnesota Statutes 1982, sections 124.2137, subdivision 1; 272.02, subdivision 1; 272.03, subdivision 8; 272.115, subdivision 1; 273.11, subdivision 1; 273.115, subdivisions 1, 2, and 3; 273.13, subdivisions 6, 6a, 7, 9, 11, 14a, 17, 17b, 17c, 20, and by adding a subdivision; 273.1312, subdivisions 2, 3, 4, and 5; 273.1313, subdivisions 1, 2, 3, and 5; 275.50, subdivision 2, and by adding subdivisions; 275.51, by adding subdivisions; 275.53, by adding a subdivision; 276.09; 276.10; 276.11; 278.01, subdivisions 1 and 2; 278.03; 278.05, subdivisions 4 and 5; 279.01, subdivision 1; 287.05, subdivision 1; 290.01, subdivisions 19, 20, 20a, as amended, 20b, as amended, and 20f; 290.05, subdivision 6;

290.06, subdivisions 1, 2e, 11, and 14; 290.09, subdivisions 1, 2, 3, as amended, 4, 5, 6, 28, and 29; 290.091; 290.095, subdivision 4; 290.14; 290.16, subdivision 4; 290.17, subdivision 2; 290.18, subdivisions 1 and 2; 290.21, subdivisions 1 and 3; 290.23, subdivision 5; 290.31, subdivisions 2 and 3; 290.39, subdivision 2; 290.46; 290.92, subdivision 2a, and by adding subdivisions; 290A.03, subdivisions 3, 6, 8, 11, 13, and by adding a subdivision; 290A.04, subdivisions 1, 2, 2a, and 3; 290A.07, subdivision 2a; 290A.16; 290A.18; 290A.19; 297A.02, as amended; 297A.03, subdivision 2, as amended; 297A.14, as amended; 297A.35, subdivision 3; 297B.02, as amended; 473F.08, subdivision 7a; and Laws 1981, Third Special Session chapter 2, article III, section 22, as amended; proposing new law coded in Minnesota Statutes, chapters 116C; 124; 273; 290; and 507; repealing Minnesota Statutes 1982, sections 273.11, subdivision 7; 273.116; 273.42, subdivision 2; 273.425; 275.51, subdivisions 3e and 5; 290.01, subdivisions 23, 27, and 28; 290.032, subdivision 5; 290.06, subdivisions 9 and 9a; 290.077, subdivision 2; 290.08, subdivision 25; 290.09, subdivisions 10, 15, 22, and 27; 290.21, subdivision 3a; 290.501; 290A.04, subdivision 2b; 290A.07, subdivision 3; 352C.07; and Laws 1982, chapter 523, article VII, section 3.

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

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. 801, A bill for an act relating to financial institutions; authorizing electronic financial terminals at locations other than retail locations established by persons other than retailers; amending Minnesota Statutes 1982, sections 47.62, subdivision 1; and 47.64, subdivision 3; repealing Minnesota Statutes 1982, section 47.61, subdivision 5.

H. F. No. 903, A bill for an act relating to insurance; removing obsolete statutory provisions regulating assessment benefit associations; repealing Minnesota Statutes 1982, sections 63.01 to 63.35.

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. 610, A bill for an act relating to financial institutions; industrial loan and thrift companies; regulated loans; enlarging the group of institutions which may utilize electronic fund transfer facilities; modifying the capital and reserve limitation on loans by industrial loan and thrift companies; permitting loan and thrifts and regulated lenders to take discount points in certain circumstances; authorizing loan and thrifts to receive savings accounts and savings deposits subject to certain prescribed conditions; regulating loan splitting; eliminating the receipt requirement for money orders; standardizing certain penalties; excepting loan and thrifts and regulated lenders from the licensing requirements for real estate brokers and salespersons; amending Minnesota Statutes 1982, sections 47.61, subdivision 4; 47.64, subdivision 1; 48.196; 53.03, subdivision 5; 53.04, subdivisions 3a and 5; 53.05; 53.07, subdivision 2; 53.10; 56.131, subdivision 3, and by adding a subdivision; 56.14; 56.19, subdivision 1; 80A.15, subdivision 1; and 82.18; repealing Minnesota Statutes 1982, section 56.19, subdivision 2.

PATRICK E. FLAHAVEN, Secretary of the Senate

Berkelman moved that the House refuse to concur in the Senate amendments to H. F. No. 610, 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. 508, A bill for an act relating to insurance; homeowner's; requiring notices of cancellation to be written in easily readable and understandable language; amending Minnesota Statutes 1982, section 65A.29, subdivision 4.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Welle moved that the House concur in the Senate amendments to H. F. No. 508 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 508, A bill for an act relating to insurance; requiring all notices of cancellation of homeowner's policies to be written in language that is easy to read and understandable; amending Minnesota Statutes 1982, section 65A.29, 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 125 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Ellingson	Krueger	Pauly	Skoglund
Anderson, G.	Erickson	Kvam	Peterson	Solberg
Battaglia	Evans	Larsen	Piepho	Sparby
Beard	Findlay	Levi	Piper	Stadum
Begich	Fjoslien	Long	Price	Staten
Bennett	Forsythe	Ludeman	Quinn	Sviggum
Bergstrom	Frerichs	Mann	Quist	Swanson
Berkelman	Graba	Marsh	Kedalen	Thiede
Bishop	Greenfield	McEachern	Reif	Tomlinson
Blatz	Gruenes	McKasy	Rice	Tunheim
Brandl	Gustafson	Metzen	Riveness	Uphus
Brinkman	Gutknecht	Minne	Rodosovich	Valan
Burger	Haukoos	Munger	Rodriguez, C.	Valento
Carlson, D.	Heap	Murphy	Rodriguez, F.	Vanasek
Carlson, L.	Heinitz	Nelson, D.	Rose	Vellenga
Clark, J.	Hoffman	Nelson, K.	Sarna	Voss
Clark, K.	Hokr	Neuenschwander	Schafer	Waltman
Clawson	Jacobs	Norton	Scheid	Welch
Cohen	Jennings	O'Connor	Schreiber	Welker
Coleman	Jensen	Ogren	Seaberg	Welle
Dempsey	Kalis	Oisen	Segal	Wenzel
DenOuden	Kelly	Omamm	Shaver	Wigley
Dimler	Knickerbocker	Onnen	Shea	Wynia
Eken	Knuth	Osthoff	Sherman	Zaffke
Elioff	Kostohryz	Otis	Simoneau	Speaker Sieben

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. 170, 634, 679 and 887.

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. 889 and 1067.

PATRICK E. FLAHAVEN, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 170, A bill for an act relating to elections; providing for experimental mail elections; proposing new law coded in Minnesota Statutes, chapter 204B.

The bill was read for the first time and referred to the Committee on General Legislation and Veterans Affairs.

S. F. No. 634, A bill for an act relating to game and fish; establishing the joint legislative committee on fishing resources; imposing a surcharge on fishing licenses for development and improvement of state fishing resources; authorizing designation of experimental and specialized fishing waters; authorizing additional notice of netting season; licensing fishing guides; increasing certain license fees; prohibiting angling and use of tip-ups while spearing in a dark house; prohibiting issuance of new commercial game fish netting licenses; allowing designation of lakes for taking of certain muskellunge; imposing penalties for various offenses; amending Minnesota Statutes 1982, sections 84.027, subdivision 2; 97.48, subdivision 26, and by adding a subdivision; 97.53, by adding a subdivision; 97.55, by adding subdivisions; 98.46, subdivision 5; 98.52, by adding subdivisions; and 101.42, subdivisions 1a and 20; proposing new law coded in Minnesota Statutes, chapters 97, 98, and 102.

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

S. F. No. 679, A bill for an act relating to redevelopment; authorizing the commissioner of iron range resources and rehabilitation to exercise certain powers and to issue bonds to finance certain projects and programs in tax relief areas; appropriating money; amending Minnesota Statutes 1982, section 298.292; proposing new law coded in Minnesota Statutes, chapter 298.

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

S. F. No. 887, A bill for an act relating to transportation; providing for the inclusion of former municipal state-aid streets in the county state-aid highway system; amending Minnesota Statutes 1982, section 162.02, subdivision 1, and by adding a subdivision.

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

S. F. No. 889, A bill for an act relating to local government; clarifying powers of municipalities and redevelopment agencies with respect to acquisition, construction, leasing, selling, loan of funds, and issuance of revenue bonds for industrial development projects; amending Minnesota Statutes 1982, sections 474.03 and 474.06.

The bill was read for the first time.

Berkelman moved that S. F. No. 889 and H. F. No. 1040, now on Technical General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1067, A bill for an act relating to crimes; exempting participants in supervised research programs from arrest for certain driving violations; amending Minnesota Statutes 1982, section 169.121, by adding a subdivision.

The bill was read for the first time.

Marsh moved that S. F. No. 1067 and H. F. No. 1136, now on the Technical Consent Calendar, be referred to the Chief Clerk for comparison. The motion prevailed.

The following conference committee report was received:

CONFERENCE COMMITTEE REPORT ON H. F. NO. 26

A bill for an an act relating to commerce; consumer protection; requiring the repair, refund, or replacement of new motor vehicles under certain circumstances; proposing new law coded in Minnesota Statutes, chapter 325F.

April 19, 1983

The Honorable Harry A. Sieben, Jr.
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

We, the undersigned conferees for H. F. No. 26, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments and H. F. No. 26 be further amended as follows:

Page 1, line 12, delete "(1)" and insert "(a)"

Page 1, line 13, delete "normally"

Page 1, line 14, after "purposes" insert "at least 40 percent of the time"

Page 1, line 19, delete "(2)" and insert "(b)"

Page 1, line 24, delete "(3)" and insert "(c)"

Page 2, line 4, delete "(4)" and insert "(d)"

Page 2, line 4, delete "(a)" and insert "(1)"

Page 2, line 6, delete "(b)" and insert "(2)"

Page 2, line 22, delete the first "or"

Page 2, line 22, after "agents" insert a comma

Page 2, line 22, after the second "or" insert "its"

Page 2, line 27, after "shall" insert ", at the consumer's option, either"

Page 2, line 30, after the first comma, insert "including the cost of any options or other modifications arranged, installed, or made by the manufacturer, its agent, or its authorized dealer within 30 days after the date of original delivery,"

Page 2, line 32, after "vehicle" insert "not exceeding ten cents per mile driven or ten percent of the purchase price of the vehicle, whichever is less"

Page 2, line 32, delete "shall" and insert "must"

Page 2, line 34, delete "may"

Page 3, line 9, after "or" insert "its"

Page 3, line 13, delete the second "or" and insert a comma

Page 3, line 14, after "agents" insert a comma

Page 3, line 14, after "or" insert "its"

Page 3, line 20, after the period, insert:

"(c) If the nonconformity results in a complete failure of the braking or steering system of the new motor vehicle and is likely to cause death or serious bodily injury if the vehicle is driven, it is presumed that a reasonable number of attempts have been undertaken to conform the vehicle to the applicable express warranties if the conformity has been subject to repair at least once by the manufacturer, its agents, or its authorized dealers

within the express warranty term or during the period of one year following the date of original delivery of the motor vehicle to a consumer, whichever is the earlier date, and the nonconformity continues to exist.

(d)”

Page 3, line 24, delete “In”

Page 3, line 25, delete “no event shall” and insert:

“(e)”

Page 3, line 25, delete “this section” and insert “paragraph (b)”

Page 3, line 25, delete “apply” and insert “applies”

Page 3, line 26, delete “unless” and insert “only if”

Page 3, line 26, delete the first “or” and insert a comma

Page 3, line 26, after “agent” insert a comma

Page 3, line 26, after the second “or” insert “its”

Page 3, line 27, after “prior” insert “written”

Page 3, line 28, after “consumer” insert “at least once”

Page 3, line 29, after the period, insert: “If the notification is received by the manufacturer’s agent or authorized dealer, the agent or dealer must forward it to the manufacturer by certified mail, return receipt requested.”

(f) *At the time of purchase the manufacturer, either directly or through its agent or its authorized dealer, must provide the consumer a written statement on a separate piece of paper, in ten point all capital type, in substantially the following form: “IMPORTANT: IF THIS VEHICLE IS DEFECTIVE, YOU MAY BE ENTITLED UNDER STATE LAW TO REPLACEMENT OF IT OR A REFUND OF ITS PURCHASE PRICE. HOWEVER, TO BE ENTITLED TO REFUND OR REPLACEMENT, YOU MUST FIRST NOTIFY THE MANUFACTURER, ITS AGENT, OR ITS AUTHORIZED DEALER OF THE PROBLEM IN WRITING AND GIVE THEM AN OPPORTUNITY TO REPAIR THE VEHICLE.”*

Subd. 4. [RESALE OF RETURNED MOTOR VEHICLE.]

(a) *If a motor vehicle has been returned under the provisions*

of subdivision 3 or a similar statute of another state, it may not be resold in this state unless:

(1) the manufacturer provides the same express warranty it provided to the original purchaser, except that the term of the warranty need only last for 12,000 miles or 12 months after the date of resale, whichever is earlier; and

(2) the manufacturer provides the consumer with a written statement on a separate piece of paper, in ten point all capital type, in substantially the following form: "IMPORTANT: THIS VEHICLE WAS RETURNED TO THE MANUFACTURER BECAUSE IT DID NOT CONFORM TO THE MANUFACTURER'S EXPRESS WARRANTY AND THE NONCONFORMITY WAS NOT CURED WITHIN A REASONABLE TIME AS PROVIDED BY MINNESOTA LAW."

The provisions of this section apply to the resold motor vehicle for full term of the warranty required under this subdivision.

(b) Notwithstanding the provisions of paragraph (a), if a new motor vehicle has been returned under the provisions of subdivision 3 or a similar statute of another state because of a nonconformity resulting in a complete failure of the braking or steering system of the motor vehicle likely to cause death or serious bodily injury if the vehicle was driven, the motor vehicle may not be resold in this state."

Renumber the subdivisions in sequence

Page 4, line 2, after "as" insert "nonbinding" and delete "but not binding"

Page 4, line 10, delete "shall" and insert "must"

Page 4, line 13, delete "earlier" and insert "later"

Page 4, line 18, before "Section" insert "Section 1, subdivision 3, paragraph (f), is effective June 15, 1983. The rest of" and after "enactment" insert "and applies to all motor vehicles which as of that date are still under a manufacturer's express warranty and were originally delivered during the previous one-year period"

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

House Conferees: JOSEPH R. BEGICH, JOHN J. SARNA and MARCUS MARSH.

Senate Conferees: GREGORY L. DAHL, EMBER D. REICHGOTT and GEN OLSON.

Begich moved that the report of the Conference Committee on H. F. No. 26 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

H. F. No. 26, A bill for an act relating to commerce; consumer protection; requiring the repair, refund, or replacement of new motor vehicles under certain circumstances; proposing new law coded in Minnesota Statutes, chapter 325F.

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 115 yeas and 11 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Ellingson	Krueger	Pauly	Simoneau
Anderson, G.	Evans	Kvam	Peterson	Skoglund
Battaglia	Findlay	Larsen	Piepho	Solberg
Beard	Fjoslien	Levi	Piper	Sparby
Begich	Forsythe	Long	Price	Stadum
Bennett	Graba	Mann	Quinn	Staten
Bergstrom	Greeff	Marsh	Quist	Sviggum
Berkelman	Gruenes	McKasy	Redalen	Swanson
Bishop	Gustafson	Metzen	Reif	Tomlinson
Blatz	Gutknecht	Minne	Rice	Tunheim
Brandl	Halberg	Munger	Riveness	Valan
Burger	Heap	Murphy	Rodosovich	Valento
Carlson, D.	Heinitz	Nelson, D.	Rodriguez, C.	Vanasek
Carlson, L.	Himle	Nelson, K.	Rodriguez, F.	Vellenga
Clark, J.	Hoffman	Neuenschwander	Rose	Voss
Clark, K.	Jacobs	Norton	Sarna	Waltman
Clawson	Jensen	O'Connor	Scheid	Welch
Cohen	Johnson	Ogren	Schoenfeld	Welle
Coleman	Kalis	Olsen	Schreiber	Wenzel
Dempsey	Kelly	Omann	Segal	Wigley
Dimler	Knickerbocker	Onnen	Shaver	Wynia
Eken	Knuth	Osthoff	Shea	Zaffke
Elioff	Kostohryz	Otis	Sherman	Speaker Sieben

Those who voted in the negative were:

DenOuden	Haukoos	McDonald	Uphus	Welker
Erickson	Jennings	Schafer		
Frerichs	Ludeman	Thiede		

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

CONSENT CALENDAR

S. F. No. 358, A bill for an act relating to counties; permitting changes to appointed coroners, medical examiners, and death investigations in certain conditions; amending Minnesota Statutes 1982, sections 390.005, by adding a subdivision; and 390.35.

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:

Anderson, B.	Erickson	Kostohryz	Pauly	Sparby
Anderson, G.	Evans	Krueger	Peterson	Stadum
Battaglia	Findlay	Kvam	Piepho	Staten
Beard	Fjoslien	Larsen	Piper	Sviggum
Begich	Forsythe	Levi	Price	Swanson
Bennett	Frerichs	Long	Quinn	Thiede
Bergstrom	Graba	Ludeman	Quist	Tomlinson
Berkelman	Greenfield	Mann	Redalen	Tunheim
Bishop	Gruenes	Marsh	Reif	Uphus
Blatz	Gustafson	McDonald	Rice	Valan
Brandl	Gutknecht	McKasy	Riveness	Valento
Brinkman	Halberg	Metzen	Rodosovich	Vanasek
Burger	Haukoos	Minne	Rodriguez, C.	Vellenga
Carlson, D.	Heap	Munger	Rodriguez, F.	Voss
Carlson, L.	Heinitz	Murphy	Rose	Waltman
Clark, J.	Himle	Nelson, D.	Schafer	Welch
Clark, K.	Hoffman	Nelson, K.	Scheid	Welker
Clawson	Hokr	Neuenschwander	Schoenfeld	Welle
Cohen	Jacobs	Norton	Schreiber	Wenzel
Coleman	Jennings	O'Connor	Segal	Wigley
Dempsey	Jensen	Ogren	Shaver	Wynia
DenOuden	Johnson	Olsen	Shea	Zaffko
Dimler	Kahn	Omman	Sherman	Speaker Sieben
Eken	Kelly	Onnen	Simoneau	
Elioff	Knickerbocker	Osthoff	Skoglund	
Ellingson	Knuth	Otis	Solberg	

The bill was passed and its title agreed to.

S. F. No. 322, A bill for an act relating to soil and water conservation districts; authorizing annual audits by certified public accountants; amending Minnesota Statutes 1982, section 40.06, 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 126 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Blatz	Cohen	Evans	Gutknecht
Anderson, G.	Brandl	Coleman	Findlay	Halberg
Battaglia	Brinkman	Dempsey	Fjoslien	Haukoos
Beard	Burger	DenOuden	Forsythe	Heap
Begich	Carlson, D.	Dimler	Frerichs	Heinitz
Bennett	Carlson, L.	Eken	Graba	Himle
Bergstrom	Clark, J.	Elioff	Greenfield	Hoffman
Berkelman	Clark, K.	Ellingson	Gruenes	Hokr
Bishop	Clawson	Erickson	Gustafson	Jacobs

Jennings	McKasy	Peterson	Schreiber	Valento
Jensen	Metzen	Piepho	Segal	Vanasek
Johnson	Minne	Piper	Shea	Vellenga
Kelly	Munger	Price	Sherman	Voss
Knickerbocker	Murphy	Quinn	Simoneau	Waltman
Knuth	Nelson, D.	Quist	Skoglund	Welch
Kostohryz	Nelson, K.	Redalen	Seiberg	Welker
Krueger	Neuenschwander	Reif	Sparby	Welle
Kvam	Norien	Rice	Stadum	Wenzel
Larsen	O'Connor	Riveness	Staten	Wigley
Levi	Ogren	Rodosovich	Sviggum	Wynia
Long	Olsen	Rodriguez, C.	Swanson	Zafike
Ludeman	Omann	Rodriguez, F.	Thiede	Speaker Sieben
Mann	Onnen	Rose	Tomlinson	
Marsh	Osthoff	Schafer	Tunheim	
McDonald	Otis	Scheid	Uphus	
McEachern	Pauly	Schoenfeld	Valan	

The bill was passed and its title agreed to.

S. F. No. 332, A bill for an act relating to financial institutions; banks; authorizing the leasing of personal property to employees, stockholders, directors, or officers; amending Minnesota Statutes 1982, section 48.152, subdivision 8; repealing Minnesota Statutes 1982, section 48.152, subdivision 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 123 yeas and 4 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Elioff	Knuth	Osthoff	Skoglund
Anderson, G.	Erickson	Kostohryz	Otis	Solberg
Anderson, R.	Evans	Kvam	Pauly	Sparby
Battaglia	Findlay	Larsen	Peterson	Stadum
Beard	Fjoslie	Levi	Piepho	Sviggum
Begich	Forsythe	Long	Piper	Swanson
Bennett	Frerichs	Ludeman	Price	Thiede
Bergstrom	Graba	Mann	Quinn	Tomlinson
Berkelman	Gruenes	Marsh	Quist	Tunheim
Bishop	Gustafson	McDonald	Redalen	Uphus
Blatz	Gutknecht	McEachern	Reif	Valan
Brandl	Halberg	McKasy	Riveness	Valento
Brinkman	Haukoos	Metzen	Rodosovich	Vanasek
Burger	Heap	Minne	Rodriguez, F.	Vellenga
Carlson, D.	Heinitz	Munger	Rose	Voss
Carlson, L.	Himle	Murphy	Sarna	Waltman
Clark, J.	Hoffman	Nelson, D.	Schafer	Welch
Clark, K.	Hokr	Nelson, K.	Scheid	Welker
Clawson	Jacobs	Neuenschwander	Schoenfeld	Welle
Cohen	Jennings	Norton	Schreiber	Wenzel
Coleman	Jensen	O'Connor	Segal	Wigley
Dempsey	Johnson	Ogren	Shaver	Zafike
DenOuden	Kalis	Olsen	Shea	Speaker Sieben
Dimler	Kelly	Omann	Sherman	
Eken	Knickerbocker	Onnen	Simoneau	

Those who voted in the negative were:

Ellingson Greenfield Staten Wynia

The bill was passed and its title agreed to.

S. F. No. 611 was reported to the House.

Hoffman moved that S. F. No. 611 be continued one day. The motion prevailed.

S. F. No. 653 was reported to the House.

Ogren moved that S. F. No. 653 be continued one day. The motion prevailed.

S. F. No. 659, A bill for an act relating to the city of Crookston; providing for membership in the public employees police and fire fund by a certain police officer.

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:

Anderson, B.	Erickson	Kostohryz	Peterson	Sparby
Anderson, G.	Evans	Krueger	Piepho	Stadium
Anderson, R.	Findlay	Kvam	Piper	Staten
Battaglia	Fjoslien	Larsen	Price	Sviggum
Beard	Forsythe	Levi	Quinn	Swanson
Begich	Frerichs	Long	Quist	Thiede
Bennett	Graba	Ludeman	Redalen	Tomlinson
Bergstrom	Greenfield	Mann	Reif	Tunheim
Bishop	Gruenes	Marsh	Riveness	Uphus
Blatz	Gustafson	McDonald	Rodosovich	Valan
Brandl	Gutknecht	McEachern	Rodriguez, C.	Valento
Brinkman	Halberg	McKasy	Rodriguez, F.	Vanasek
Burger	Haukoos	Metzen	Rose	Vellenga
Carlson, D.	Heap	Minne	Sarna	Voss
Carlson, L.	Heinitz	Munger	Schafer	Waltman
Clark, J.	Himie	Murphy	Scheid	Welch
Clark, K.	Hoffman	Nelson, D.	Schoenfeld	Welker
Clawson	Hokr	Neuenschwander	Schreiber	Welle
Cohen	Jacobs	Norton	Seaberg	Wenzel
Coleman	Jennings	O'Connor	Segal	Wigley
Dempsey	Jensen	Ogren	Shaver	Wynia
DenOuden	Johnson	Olsen	Shea	Zaffke
Dimler	Kalis	Omann	Sherman	Speaker Sieben
Eken	Kelly	Onnen	Simoneau	
Elioff	Knickerbocker	Otis	Skoglund	
Ellingson	Knuth	Pauly	Solberg	

The bill was passed and its title agreed to.

S. F. No. 972, A bill for an act relating to natural resources; authorizing the commissioner of natural resources to sell certain lands in St. Louis County; 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:

Anderson, B.	Erickson	Kostohryz	Pauly	Sparby
Anderson, C.	Evans	Krueger	Peterson	Stadum
Anderson, R.	Findlay	Kvam	Piepho	Staten
Battaglia	Fjoslien	Larsen	Piper	Sviggum
Beard	Forsythe	Levi	Price	Swanson
Begich	Frerichs	Long	Quinn	Thiede
Bennett	Graba	Ludeman	Quist	Tomlinson
Bergstrom	Greenfield	Mann	Redalen	Tunheim
Berkelman	Gruenes	Marsh	Reif	Uphus
Bishop	Gustafson	McDonald	Riveness	Valan
Blatz	Gutknecht	McEachern	Rodosovich	Valento
Brandl	Halberg	McKasy	Rodriguez, C.	Vanasek
Brinkman	Haukoos	Metzen	Rodriguez, F.	Vellenga
Burger	Heap	Minne	Rose	Voss
Carlson, D.	Heinritz	Munger	Sarna	Waltman
Carlson, L.	Himle	Murphy	Schafer	Welch
Clark, J.	Hoffman	Nelson, D.	Scheid	Welker
Clark, K.	Hokr	Nelson, K.	Schoenfeld	Welle
Clawson	Jacobs	Neuenschwander	Schreiber	Wenzel
Cohen	Jennings	Norton	Seaberg	Wigley
Coleman	Jensen	O'Connor	Segal	Wynia
Dempsey	Johnson	Ogren	Shaver	Zaffke
DenOuden	Kahn	Olsen	Shea	Speaker Sieben
Dimler	Kalis	Ormann	Sherman	
Eiken	Kelly	Onnen	Simoneau	
Elioff	Knickerbocker	Osthoff	Skoglund	
Ellingson	Knuth	Otis	Solberg	

The bill was passed and its title agreed to.

CALENDAR

S. F. No. 238, A bill for an act relating to mining; including peat within the provisions of mineland reclamation laws; requiring adoption of certain reclamation rules prior to issuance of metallic mining permits; amending Minnesota Statutes 1982, sections 93.44; 93.46, subdivisions 2 and 6; and 93.481, by adding a subdivision; proposing new law coded in Minnesota Statutes, chapter 93.

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

The question was taken on the passage of the bill and the roll was called. There were 127 yeas and 4 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Evans	Kostohryz	Pauly	Skoglund
Anderson, G.	Findlay	Krueger	Peterson	Solberg
Anderson, R.	Fjoslien	Kvam	Piepho	Sparby
Battaglia	Forsythe	Larsen	Piper	Stadum
Beard	Frerichs	Levi	Price	Staten
Begich	Graba	Long	Quinn	Sviggum
Bennett	Greenfield	Mann	Quist	Swanson
Bergstrom	Gruenes	Marsh	Redalen	Thiede
Berkelman	Gustafson	McDonald	Reif	Tomlinson
Bishop	Gutknecht	McEachern	Rice	Tunheim
Blatz	Halberg	McKasy	Riveness	Uphus
Brandl	Haukoos	Metzen	Rodosovich	Valan
Brinkman	Heap	Minne	Rodriguez, C.	Valento
Burger	Heinitz	Munger	Rodriguez, F.	Vanasek
Carlson, D.	Himle	Murphy	Rose	Vellenga
Carlson, L.	Hoffman	Nelson, D.	Sarna	Voss
Clark, J.	Hokr	Nelson, K.	Schafer	Waltman
Clark, K.	Jacobs	Neuenschwander	Scheid	Welch
Clawson	Jennings	Norton	Schoenfeld	Welle
Cohen	Jensen	O'Connor	Schreiber	Wenzel
Coleman	Johnson	Ogren	Seaberg	Wigley
Dimler	Kahn	Olsen	Segal	Wynia
Eken	Kalis	Omann	Shaver	Speaker Sieben
Elioff	Kelly	Onnen	Shea	
Ellingson	Knickerbocker	Osthoff	Sherman	
Erickson	Knuth	Otis	Simoneau	

Those who voted in the negative were:

DenOuden	Ludeman	Welker	Zaffke
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The bill was passed and its title agreed to.

CONSIDERATION UNDER RULE 1.10

Pursuant to rule 1.10, Rice requested immediate consideration of H. F. Nos. 455 and 92.

H. F. No. 455, A bill for an act relating to the operation of state government; creating the department of commerce; providing for appointment of a commissioner of commerce; prescribing his powers and duties; transferring certain powers and duties from the commissioners of banks, energy, planning and development, insurance, securities and real estate, and the director of the office of consumer services, to the commissioner of commerce; transferring certain powers and duties from the chairman of the commerce commission to the commissioner of commerce; transferring certain powers and duties from the director of the office of consumer services to the commissioner of commerce and the attorney general; eliminating certain positions and divisions in the department of commerce; amending Minnesota Statutes 1982, sections 15.06, subdivision 1; 15A.081, subdivision 1; 43A.08, subdivision 1a; 45.034; 45.04; 45.05; 45.06; 45.07; 45.071, subdivision 2; 45.08, subdivision 3, and by adding a subdivision; 45.17, subdivisions 1, 2, 3, 4, 5, 6, 7, and by adding a subdivision; 116J.03, subdivision 1; 116J.31; 144A.53, sub-

division 4; 155A.03, by adding a subdivision; 155A.05; 155A.18; 214.04, subdivision 1; 214.14, subdivision 1; 325E.09, subdivision 4a; 325F.09; 325F.11; proposing new law coded in Minnesota Statutes, chapters 45; and 116J.57; repealing Minnesota Statutes 1982, sections 45.01; 45.02; 45.021; 45.03; 45.031; 45.032; 45.033; 45.15; 45.16; 155A.03, subdivision 10; and 155A.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 111 yeas and 17 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Ellingson	Larsen	Piepho	Solberg
Anderson, C.	Evans	Levi	Piper	Sparby
Anderson, R.	Forsythe	Long	Price	Stadum
Battaglia	Graba	Mann	Quinn	Staten
Beard	Greenfield	Marsh	Quist	Sviggum
Begich	Gustafson	McDonald	Redalen	Swanson
Bergstrom	Gutknecht	McEachern	Reif	Tomlinson
Berkelman	Haukoos	Metzen	Rice	Tunheim
Bishop	Heap	Minne	Riveness	Valan
Blatz	Heinitz	Munger	Rodosovich	Vanasek
Brandl	Himle	Murphy	Rodriguez, C.	Vellenga
Brinkman	Hoffman	Nelson, D.	Rodriguez, F.	Waltman
Burger	Jacobs	Nelson, K.	Rose	Welch
Carlson, D.	Jennings	Neuenschwander	Sarna	Welle
Carlson, L.	Jensen	Norton	Scheid	Wenzel
Clark, J.	Johnson	O'Connor	Schoenfeld	Wigley
Clark, K.	Kalis	Ogren	Seaberg	Wynia
Clawson	Kelly	Olsen	Srgal	Zaffke
Cohen	Knickerbocker	Omam	Shaver	Speaker Sieben
Coleman	Knuth	Onnen	Shea	
Dinler	Kostobryz	Osthoff	Sherman	
Eken	Krueger	Otis	Simoneau	
Elioff	Kvam	Peterson	Skoglund	

Those who voted in the negative were:

Bennett	Findlay	Hokr	Thiede	Welker
Dempsey	Fjoslien	Ludeman	Uphus	
DenOuden	Frerichs	Schafer	Valento	
Erickson	Gruenes	Schreiber	Voss	

The bill was passed and its title agreed to.

H. F. No. 92 was reported to the House.

Swanson moved to amend H. F. No. 92, the second engrossment, as follows:

Page 54, line 32, delete "\$91,147,000" and insert "\$96,147,000"

Page 55, line 8, delete "\$77,233,000" and insert "\$82,233,000"

Page 55, line 10, after the period insert "*The appropriation for 1985 includes \$5,000,000 for the development of new programs and the modification and renovation of existing programs in order to meet the present and future needs of the people of Minnesota.*"

The Speaker called Wynia to the Chair.

The question was taken on the amendment and the roll was called. There were 38 yeas and 86 nays as follows:

Those who voted in the affirmative were:

Begich	Evans	Krueger	Pauly	Sviggum
Bergstrom	Findlay	Larsen	Redalcn	Swanson
Berkelman	Fjoslien	McKasy	Reif	Valan
Bishop	Frerichs	Metzen	Scheid	Waltman
Brinkinan	Graba	Minne	Schreiber	Welle
Carlson, D.	Gruenes	Ogren	Sparby	Wenzel
Elioff	Haukoos	Omann	Stadum	
Erickson	Krickerbocker	Osthoff	Staten	

Those who voted in the negative were:

Anderson, B.	Ellingson	Kostohryz	Peterson	Skoglund
Anderson, G.	Forsythe	Kvam	Piepho	Solberg
Anderson, R.	Greenfield	Levi	Piper	Thiede
Battaglia	Gustafson	Long	Price	Tomlinson
Beard	Gutknecht	Ludeman	Quinn	Tunheim
Bennett	Heap	Mann	Quist	Uphus
Blatz	Heinitz	Marsh	Rice	Valento
Brandl	Himle	McDonald	Rodosovich	Vanasek
Burger	Hoffman	McEachern	Rodriguez, C.	Vellenga
Carlson, L.	Hokr	Munger	Rodriguez, F.	Welch
Clark, J.	Jacobs	Murphy	Rose	Wigley
Clawson	Jennings	Nelson, D.	Sarna	Wynia
Cohen	Jensen	Nelson, K.	Schafer	Zaffke
Coleman	Johnson	Neuenschwander	Schoenfeld	Speaker Sieben
Dempsey	Kahn	Norton	Seaberg	
DenOuden	Kalis	O'Connor	Shaver	
Dimler	Kelly	Oanen	Shea	
Eken	Knuth	Otis	Simoncau	

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

Otis was excused for the remainder of today's session.

Wenzel and Thiede moved to amend H. F. No. 92, the second engrossment, as follows:

Page 74, after line 13, insert a subdivision to read:

"Subd. 12. [PINE CENTER SCHOOL.] There is appropriated \$86,000 for fiscal year 1984 for the purpose of operating the Pine Center school in independent school district number 181.

This amount shall be paid to independent school district number 181 and shall be used only to operate the Pine Center school."

Renumber the remaining subdivisions

The question was taken on the amendment and the roll was called. There were 39 yeas and 84 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Erickson	Krueger	Peterson	Thiede
Begich	Evans	Kvam	Qurt	Tunheim
Bergstrom	Findlay	Long	Kedalen	Uphus
Bishop	Fjoslien	McDonald	Rose	Vaian
Carlson, D.	Graba	Ogren	Schoenfeld	Wenzel
Dimler	Gustafson	Omann	Sherman	Wigley
Elioff	Gutknecht	Osthoff	Stadum	Zaffke
Ellingson	Heap	Pauly	Swanson	

Those who voted in the negative were:

Anderson, B.	Eken	Knuth	Olsen	Shea
Anderson, G.	Forsythe	Kostohryz	Onnen	Simoneau
Battaglia	Frerichs	Larsen	Piepho	Skoglund
Beard	Greenfield	Levi	Piper	Solberg
Bennett	Graenes	Ludeman	Price	Sparby
Berkelman	Haukoos	Mann	Reif	Staten
Blatz	Heinitz	Marsh	Rice	Sviggum
Brandl	Himle	McEachern	Rodosovich	Tomlinson
Brinkman	Hoffman	McKasy	Rodriguez, C.	Valento
Burger	Hokr	Metzen	Rodriguez, F.	Vanasek
Carlson, L.	Jennings	Minne	Sarna	Vellenga
Clark, J.	Jensen	Munger	Schafer	Voss
Clark, K.	Johnson	Murphy	Scheid	Waltman
Cohen	Kahn	Nelson, D.	Schreiber	Welch
Coleman	Kalis	Nelson, K.	Seaberg	Welker
Dempsey	Kelly	Neuenschwander	Segal	Welle
DenOuden	Knickerbocker	Norton	Shaver	

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

Kahn, Riveness, Graba, Long and Jennings moved to amend H. F. No. 92, the second engrossment, as follows:

Page 64, line 27, after "purposes," insert "*to purchase textbooks,*"

A roll call was requested and properly seconded.

The question was taken on the amendment and the roll was called. There were 97 yeas and 32 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Bennett	Berkelman	Blatz	Brinkman
Battaglia	Bergstrom	Bishop	Brandl	Burger

Carlson, D.	Gutknecht	Mann	Quinn	Sparby
Carlson, L.	Halberg	Marsh	Quist	Staten
Clark, J.	Haukoos	McDonald	Redalen	Swiggum
Clark, K.	Heap	Metzen	Reif	Swanson
Cohen	Heinitz	Minne	Riveness	Thiede
Coleman	Himle	Munger	Rodosovich	Valento
Dempsey	Hoffman	Murphy	Rodriguez, C.	Vanasek
Dimler	Hokr	Nelson, D.	Rose	Vellenga
Elioff	Jennings	Neuenschwander	Sarna	Voss
Ellingson	Johnson	O'Connor	Schafer	Waltman
Erickson	Kahn	Ogren	Scheid	Welker
Evans	Kelly	Omann	Schoenfeld	Wenzel
Findlay	Knickerbocker	Onnen	Schreiber	Wigley
Fjoslien	Knuth	Pauly	Seaberg	Wynia
Forsythe	Kvam	Peterson	Segal	Zaffke
Frerichs	Larsen	Piepho	Shaver	
Graba	Long	Piper	Sherman	
Greenfield	Ludeman	Price	Solberg	

Those who voted in the negative were:

Anderson, B.	Gruenes	McEachern	Rodriguez, F.	Valan
Anderson, G.	Gustafson	McKasy	Shea	Welch
Beard	Jensen	Nelson, K.	Simoneau	Welle
Begich	Kalis	Norton	Skoglund	Speaker Sieben
Clawson	Kostohryz	Olsen	Tomlinson	
DenOuden	Krueger	Osthoff	Tunheim	
Eken	Levi	Rice	Uphus	

The motion prevailed and the amendment was adopted.

The Speaker resumed the Chair.

Frerichs moved to amend H. F. No. 92, the second engrossment, as amended, as follows:

Page 3, line 13, delete ".024" and insert ".023"

Page 8, line 22, delete "\$544,556,000" and insert "\$584,556,000"

Page 8, line 27, delete "\$455,143,000" and insert "\$495,143,000"

A roll call was requested and properly seconded.

The question was taken on the amendment and the roll was called. There were 58 yeas and 67 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Dimler	Gutknecht	Knickerbocker	Omann
Bennett	Erickson	Halberg	Kvam	Onnen
Bishop	Evans	Haukoos	Levi	Pauly
Blatz	Findlay	Heinitz	Ludeman	Piepho
Burger	Fjoslien	Himle	Marsh	Quist
Carlson, D.	Forsythe	Jennings	McDonald	Redalen
Dempsey	Frerichs	Johnson	McKasy	Reif
DenOuden	Gruenes	Kalis	Olsen	Rose

Schafer	Shaver	Swiggum	Yalan	Wigley
Schoenfeld	Shea	Swanson	Valento	Zaffke
Schreiber	Sherman	Thiede	Waltman	
Seaberg	Stadium	Uphus	Welker	

Those who voted in the negative were:

Anderson, B.	Eken	Larsen	Osthoff	Solberg
Anderson, G.	Elioff	Long	Peterson	Sparby
Battaglia	Ellingson	Mann	Piper	Staten
Beard	Graba	McEachern	Price	Tomlinson
Begich	Greenfield	Metzen	Quinn	Tunheim
Bergstrom	Gustafson	Miaue	Rice	Vanasek
Berkeiman	Hoffman	Munger	Riveness	Vellenga
Brandl	Jacobs	Murphy	Rodosovich	Voss
Carlson, L.	Jensen	Nelson, D.	Rodriguez, C.	Weich
Clark, J.	Kahn	Nelson, K.	Rodriguez, F.	Welle
Clark, K.	Kelly	Neuenschwander	Sarna	Speaker Sieben
Clawson	Knuth	Norton	Scheid	
Cohen	Kostobryz	O'Connor	Simoneau	
Coleman	Krueger	Ogren	Skoglund	

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

Jennings moved to amend H. F. No. 92, the second engrossment, as amended, as follows:

Page 5, delete lines 10 to 36

Page 6, delete lines 1 to 36

Page 7, delete lines 1 to 28

Renumber the sections accordingly.

Page 23, line 36, delete "*and the amount of*"

Page 24, delete line 1

Page 24, line 2, delete "*pursuant to article 1, section 6, subdivision 2,*"

Further, amend the title accordingly.

A roll call was requested and properly seconded.

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

Those who voted in the affirmative were:

Anderson, R.	Blatz	Dempsey	Erickson	Fjoslien
Bennett	Burger	DanOuden	Evans	Forsythe
Bishop	Carlson, D.	Dimler	Findlay	Frerichs

Gruenes	Knickerbocker	Onnen	Seaberg	Uphus
Gutknecht	Kvam	Pauly	Segal	Valan
Halberg	Levi	Piepho	Shaver	Valento
Haukoos	Ludeman	Quist	Sherman	Waltman
Heap	Mann	Redalen	Sparby	Welker
Heinitz	Marsh	Reif	Stadium	Wigley
Himle	McDonald	Riveness	Swiggum	Zaffke
Jennings	McKasy	Rose	Swanson	
Johnson	Olsen	Schafer	Thiede	
Kalis	Omann	Schreiber	Tunheim	

Those who voted in the negative were:

Anderson, G.	Ellingson	McEachern	Price	Staten
Battaglia	Graba	Metzen	Quinn	Tomlinson
Beard	Greenfield	Minne	Rice	Vanasek
Begich	Gustafson	Munger	Rodosovich	Vellenga
Berkelman	Hoffman	Murphy	Rodriguez, C.	Voss
Brandl	Jacobs	Nelson, D.	Rodriguez, F.	Welch
Carlson, L.	Jensen	Nelson, K.	Sarna	Welle
Clark, J.	Kahn	Neuenschwander	Scheid	Wenzel
Clark, K.	Kelly	Norton	Schoenfeld	Wynia
Clawson	Knuth	O'Connor	Shea	Speaker Sieben
Coleman	Kostobryz	Osthoff	Simoncau	
Eken	Krueger	Peterson	Skoglund	
Elioff	Larsen	Piper	Solberg	

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

Knickerbocker moved to amend H. F. No. 92, the second engrossment, as amended, as follows:

Page 77, after line 20, insert:

“Sec. 3. Minnesota Statutes 1982, Section 16A.15, Subdivision 1, is amended to read:

Subdivision 1. [REDUCTION.] In case the commissioner of finance shall discover at any time that the probable receipts from taxes or other sources for any appropriation, fund, or item will be less than anticipated, and that consequently the amount available for the remainder of the biennium will be less than the amount estimated or allotted therefor, he shall, with the approval of the governor, and after notice to the agency concerned, either:

(a) after consultation with the legislative advisory commission created by section 3.30, transfer from the budget reserve account established in section 16A.53, to the general fund the amount necessary to balance revenue and expenditures;

(b) reduce the amount allotted or to be allotted so as to prevent a deficit; or

(c) make any combination of transfer and reductions as provided by clauses (a) and (b).

Provided, however, no allotment pursuant to an appropriation for state aids, payments, reimbursements or fund transfers to or on behalf of school districts shall be reduced pursuant to this subdivision.

In like manner he shall request reduction of the amount allotted or to be allotted to any agency by the amount of any saving which can be effected upon previous spending plans through a reduction in prices or other cause."

Page 91, line 22, delete "13" and insert "14"

Renumber sections as necessary

Further, amend the title:

Page 1, line 18, after the semicolon insert "16A.15, subdivision 1;"

A roll call was requested and properly seconded.

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:

Anderson, B.	Erickson	Knickerbocker	Onnen	Skoglund
Anderson, G.	Evans	Knuth	Osthoff	Solberg
Anderson, R.	Findlay	Kostohryz	Pauly	Sparby
Battaglia	Fjoslien	Kvam	Peterson	Stadum
Beard	Forsyth	Larsen	Piepho	Staten
Bennett	Frerichs	Levi	Piper	Swiggum
Bergstrom	Graba	Long	Price	Swanson
Bishop	Gruenes	Ludeman	Quist	Thiede
Blatz	Gustafson	Mann	Rice	Tomlinson
Brandl	Gutknecht	Marsh	Riveness	Tunheim
Brinkman	Halberg	McDonald	Rodosovich	Uphus
Burger	Haukoos	McKasy	Rodriguez, C.	Valan
Carlson, D.	Hcap	Metzen	Rodriguez, F.	Valento
Carlson, L.	Heinitz	Minne	Rose	Vanasek
Clark, J.	Himle	Munger	Sarna	Vellenga
Clawson	Hoffman	Murphy	Schafer	Voss
Cohen	Hokr	Nelson, D.	Scheid	Waltman
Coleman	Jacobs	Nelson, K.	Schoenfeld	Welch
Dempsey	Jennings	Neuenschwander	Schreiber	Welker
DenOuden	Jensen	O'Connor	Seaberg	Welle
Eken	Johnson	Ogren	Segal	Wenzel
Elioff	Kahn	Olsen	Shaver	Zaffke
Ellingson	Kelly	Omann	Shea	Speaker Sieben

Eken 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.

The question recurred on the Knickerbocker amendment and the roll was called.

Eken moved that those not voting be excused from voting. The motion prevailed.

There were 122 yeas and 6 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Erickson	Knuth	Pauly	Solberg
Anderson, G.	Evans	Kostohryz	Peterson	Sparby
Anderson, R.	Findlay	Krueger	Piepho	Stadum
Battaglia	Fjoslien	Kvam	Piper	Staten
Beard	Forsythe	Larsen	Price	Sviggunn
Begich	Frerichs	Levi	Quist	Swanson
Bennett	Graba	Mann	Redalen	Thiede
Bergstrom	Greenfield	Marsh	Reif	Tomlinson
Berkelman	Gruenes	McDonald	Rice	Tunheim
Bishop	Gustafson	McEachern	Riveness	Uphus
Bjatz	Gutknecht	McKasy	Rodosovich	Valan
Brinkman	Halberg	Metzen	Rodriguez, C.	Valento
Burger	Haukoos	Minne	Rodriguez, F.	Vanasek
Carlson, D.	Heap	Munger	Rose	Vollenga
Carlson, L.	Heimitz	Murphy	Sarna	Voss
Clark, J.	Himle	Neison, D.	Schafer	Waltman
Clark, K.	Hoffman	Nelson, K.	Scheid	Welch
Clawson	Hokr	Neuenschwander	Schoenfeld	Welle
Cohen	Jacobs	Norton	Seaberg	Wenzel
Coleman	Jennings	O'Connor	Segal	Wynia
Dempsey	Jensen	Ogren	Shaver	Zaffke
Dimler	Johnson	Olsen	Shea	Spoker Sieben
Eken	Kalis	Omann	Sherman	
Elioff	Kelty	Onnen	Simoneau	
Ellingson	Kaickerbæcker	Osthoff	Skoglund	

Those who voted in the negative were:

Brandl	Kahn	Ludeman	Schreiber	Welker
DenOuden				

The motion prevailed and the amendment was adopted.

H. F. No. 92, A bill for an act relating to education; providing for aids to education, aids to libraries, aids for teacher retirement contributions, tax levies, and the distribution of tax revenues; granting certain duties and powers to school boards, school districts, the state board of education, and the state board for vocational education; providing for revenue equity; modifying the computation of the transportation aid, summer school, and community education aids and levies; establishing an average-cost funding formula for AVTIs; authorizing intermediate school districts to offer nonpost-secondary academic courses; establishing programs for improvement of schools; providing incentives for school districts to utilize technology in instruction; appropriating money; amending Minnesota Statutes 1982, sections 6.54; 6.62, subdivision 1; 16A.15, subdivision 1; 120.075, subdivision 4, and by adding a subdivision; 120.10, subdivision 2; 120.17, subdivision 3; 120.64, subdivisions 2 and 4; 121.908; 121.911, by adding a subdivision; 121.912, subdivision 3; 122.23, subdivisions 2 and 3; 122.41; 122.43; 122.44; 122.531, subdi-

vision 2, and by adding subdivisions; 123.33, subdivisions 10 and 14; 123.34, subdivision 9; 123.351, subdivision 4; 123.36, subdivisions 9, 13, and by adding a subdivision; 123.37, subdivision 1b; 123.39, subdivision 4; 123.705; 124.11, subdivisions 2a and 2b; 124.14, subdivision 1; 124.15, subdivision 5; 124.17, subdivisions 1 and 2d; 124.19, subdivisions 1 and 3; 124.201, subdivisions 2, 3, and by adding subdivisions; 124.2122, subdivisions 1 and 2; 124.2126, subdivision 3; 124.2128, subdivision 1; 124.2132, subdivision 4; 124.225; 124.245, by adding a subdivision; 124.246, subdivision 2; 124.247, subdivision 3; 124.26, subdivision 1; 124.271, subdivisions 2a, 6, and by adding a subdivision; 124.273, subdivisions 1b, 2b, and 4; 124.32, subdivisions 1b, 1d, 2, 3a, 5, and 5a; 124.572, subdivision 2; 124.573, subdivision 2; 124.574, subdivisions 2b and 3; 124.646, subdivision 1; 125.60, subdivision 7; 125.611, subdivision 8; 129B.02; 129B.04; 129B.05; 129B.09, subdivision 12; 134.07; 134.08; 134.09; 134.10; 134.11; 134.12; 134.13; 134.14; 134.15; 134.30; 134.32, subdivisions 1 and 7; 134.351, subdivisions 3 and 7; 134.353; 134.36; 275.125, subdivisions 2d, 2e, 2i, 5, 5b, 6d, 8, 11a, 11b, and by adding subdivisions; 354.66, subdivision 9; 354A.094, subdivision 9; 375.335; 466.01, subdivision 1; 475.61, subdivision 3; and 648.39, subdivision 1; amending Laws 1967, chapter 822, section 4; Laws 1969, chapter 775, section 3, subdivision 2, as amended; Laws 1969, chapter 1060, section 4; Laws 1981, chapter 358, article 7, section 29, as amended; and Laws 1982, chapter 548, article 3, sections 27 and 28; proposing new law coded in Minnesota Statutes, chapters 3, 120, 121, 122, 123, 124, 126, 129B, and 134; repealing Minnesota Statutes 1982, sections 121.501 to 121.507; 122.542; 124.11, subdivision 1; 124.24; 124.251; 124.26, subdivision 4; 124.271, subdivision 5; 124.273, subdivisions 1 and 2; 124.32, subdivisions 1 and 9; 124.561; 124.562; 124.5621; 124.5622; 124.5623; 124.5624; 124.5625; 124.5626; 124.5627; 124.572, subdivision 8; 124.573, subdivision 5; 124.574, subdivision 2; 124.611; 125.611, subdivision 9; 129B.06 to 129B.09; 134.03; 134.06; 134.16; 134.19; 134.352; and 375.33.

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.

Eken moved that those not voting be excused from voting. The motion prevailed.

There were 102 yeas and 27 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Battaglia	Bennett	Blatz	Carlson, D.
Anderson, C.	Beard	Bergstrom	Brandl	Carlson, L.
Anderson, R.	Begich	Berkelman	Brinkman	Clark, J.

Clark, K.	Hinic	McKasy	Quinn	Skoglund
Clawson	Hoffman	Metzen	Redalen	Solberg
Cohen	Jacobs	Minne	Reif	Sparby
Coleman	Jensen	Munger	Rice	Staten
Eken	Johnson	Murphy	Riveness	Swanson
Elioff	Kahn	Nelson, D.	Rodosovich	Tomlinson
Ellingson	Kalis	Nelson, K.	Rodriguez, C.	Tunheim
Erickson	Kelly	Neuenschwander	Rodriguez, F.	Vanasek
Evans	Knickerbocker	Norton	Rose	Vellenga
Findlay	Knuth	O'Connor	Sarna	Welch
Fjoslien	Kostehryz	Ogren	Scheid	Welle
Graba	Krueger	Olsen	Schoenfeld	Wenzel
Greenfield	Larsen	Onnen	Seaberg	Wynia
Gruenes	Levi	Osthoff	Segal	Zaffke
Gustafson	Long	Peterson	Shaver	Speaker Sieben
Gutknecht	Mann	Piepho	Shea	
Halberg	Marsh	Piper	Sherman	
Heap	McEachern	Price	Simoneau	

Those who voted in the negative were:

Bishop	Haukoos	McDonald	Stadum	Voss
Burger	Heinitz	Omann	Svigum	Waltman
Dempsey	Hokr	Pauly	Thiede	Welker
DenOuden	Jennings	Quist	Uphus	
Forsythe	Kvam	Schafer	Valan	
Frerichs	Ludeman	Schreiber	Valento	

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

CALL OF THE HOUSE LIFTED

Sarna moved that the call of the House be dispensed with. The motion prevailed and it was so ordered.

Pauly was excused at 5:00 p.m. Sherman was excused until 5:10 p.m. Stadum was excused at 5:55 p.m.

GENERAL ORDERS

Pursuant to rules of the House, the House resolved itself into the Committee of the Whole with Sieben in the Chair for the consideration of bills pending on General Orders of the Day. Wynia presided during a portion of the meeting of the Committee of the Whole. After some time spent therein the Committee arose.

REPORT OF THE COMMITTEE OF THE WHOLE

The Speaker resumed the Chair, whereupon the following proceedings of the Committee as kept by the Chief Clerk were reported to the House:

H. F. Nos. 521, 904, 254 and 375 which it recommended to pass.

H. F. Nos. 938 and 102 which it recommended progress.

H. F. No. 474 which it recommended progress retaining its place on General Orders.

S. F. No. 598 which it recommended progress until Thursday, April 28, 1983.

H. F. No. 270 which it recommended to pass with the following amendment offered by Schoenfeld and McDonald:

Page 2, after line 7, insert:

“Sec. 2. [REPEALER.]

Minnesota Statutes 1982, section 561.19, subdivision 5, is repealed.”

Amend the title as follows:

Page 1, line 5, after “2” insert “; repealing Minnesota Statutes 1982, section 561.19, subdivision 5”

S. F. No. 280 which it recommended to pass with the following amendment offered by Kelly:

Page 6, after line 22, insert:

“Sec. 5. [48.512] [PROCEDURES FOR OPENING CHECKING ACCOUNTS.]

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

(a) *“Financial intermediary” means any person doing business in this state who offers transaction accounts to the public.*

(b) *“Transaction account” means a deposit or account established and maintained by a natural person or persons under an individual or business name for personal, household, or business purposes, on which the depositor or account holder is permitted to make withdrawals by negotiable or transferable instruments, payment orders of withdrawal, or other similar device for the purpose of making payments or transfers to third persons or others, including demand deposits or accounts subject to check, draft, negotiable order of withdrawal, share draft, or other similar item. A transaction account does not include the deposit or account of a partnership having more than three partners, the personal representative of an estate, the trustee of a trust or a limited partnership.*

Subd. 2. [REQUIRED INFORMATION.] Before opening or authorizing signatory power over a transaction account, a fi-

financial intermediary shall require each applicant to provide the following information on an application document signed by the applicant under the penalties for perjury in section 609.48:

- (a) full name;
- (b) birth date;
- (c) address of residence;
- (d) address of current employment, if employed;
- (e) telephone numbers of residence and place of employment, if any;
- (f) social security number;
- (g) driver's license or identification card number issued pursuant to section 171.07. If the applicant does not have a driver's license or identification card, the applicant may provide an identification document number issued for identification purposes by any state, federal, or foreign government if the document includes the applicant's photograph, full name, birth date, and signature;
- (h) whether the applicant has had a transaction account at the same or another financial intermediary within 12 months immediately preceding the application, and, if so, the account number for each account;
- (i) whether the applicant has had a transaction account closed by a financial intermediary without the applicant's consent within 12 months immediately preceding the application, and, if so, the reason the account was closed; and
- (j) whether the applicant has been convicted of a criminal offense involving the use of a check or other similar item within 24 months immediately preceding the application.

A financial intermediary may require an applicant to disclose additional information.

Subd. 3. [ACCOUNT OPENING DATE.] All checks, drafts, negotiable orders of withdrawal, share drafts, or other similar items which are drawn against a transaction account after the effective date of this section shall, for a period of not less than 12 months, clearly display on the face thereof the month and year in which the account was opened, if:

- (a) the applicant represents on the application document that he has not maintained a transaction account within 12 months immediately preceding the application;

(b) *the applicant represents on the application document that he has had a transaction account closed without his consent within 12 months immediately preceding the application; or*

(c) *the applicant represents on the application document that he has been convicted of a criminal offense involving the use of a check or other similar item within 24 months immediately preceding the application.*

Subd. 4. [IDENTIFICATION IS REQUIRED.] *A financial intermediary shall not open or authorize signatory power over a transaction account if none of the applicants provides a driver's license, identification card, or identification document as required by subdivision 2. When a minor is the applicant and the minor does not have a driver's license or identification card issued pursuant to section 171.07, the identification requirements of subdivision 2, clause (g), and this subdivision shall be satisfied if the minor's parent or guardian provides the parent's or guardian's own driver's license or identification card issued pursuant to section 171.07 and records the number of this license or identification card on the account application.*

Subd. 5. [NO LIABILITY.] *The requirements of this section shall not be construed to impose any liability on financial intermediaries offering transaction accounts nor to limit a financial intermediary's discretion as to whether to grant or deny an application subject to this section.*

[WORTHLESS CHECK COLLECTIONS]

Sec. 6. [332.50] [CIVIL LIABILITY FOR ISSUANCE OF WORTHLESS CHECK.]

Subdivision 1. [DEFINITIONS.] *"Check" means a check, draft, order of withdrawal, or similar negotiable or nonnegotiable instrument.*

"Credit" means an arrangement or understanding with the drawee for the payment of the check.

Subd. 2. [ACTS CONSTITUTING.] *Whoever issues any check which, at the time of issuance, he intends shall not be paid, is liable to the holder for a civil penalty of \$100 plus the amount of the check, interest at the rate payable on judgments pursuant to section 549.09 on the face amount of the check from the date of dishonor, reasonable attorney fees if the amount of the check is over \$1,000, and a service charge not exceeding \$15 if written notice of the charges authorized by this subdivision was conspicuously displayed on the premises when the check was issued and a notice of dishonor and a copy of sections 2 and 609.535 are sent to the drawer in compliance with subdivision 3.*

This subdivision prevails over any provision of law limiting, prohibiting, or otherwise regulating service charges authorized by this subdivision.

Subd. 3. [PROOF OF INTENT.] Any of the following is evidence sufficient to establish a rebuttable presumption that the person at the time he issued the check intended it should not be paid:

(1) proof that, at the time of issuance, he did not have an account with the drawee;

(2) proof that, at the time of issuance, he did not have sufficient funds or credit with the drawee and that he failed to pay the check within five business days after mailing of notice of nonpayment or dishonor as provided in this subdivision; or

(3) proof that, when presentment was made within a reasonable time, the issuer did not have sufficient funds or credit with the drawee and that he failed to pay the check within five business days after mailing of notice of nonpayment or dishonor as provided in this subdivision.

Notice of nonpayment or dishonor and a copy of sections 2 and 690.535 shall be sent by the payee or holder of the check to the drawer by certified mail, return receipt requested, or by regular mail, supported by an affidavit of service by mailing, to the address printed or written on the check. The issuance of a check with an address printed or written on it is a representation by the drawer that the address is the correct address for receipt of mail concerning the check. Failure of the drawer to receive a regular or certified mail notice sent to that address is not a defense to liability under this section, nor does it rebut the presumption of intent established by this subdivision.

An affidavit of service by mailing shall be retained by the payee or holder of the check.

Subd. 4. [PROOF OF LACK OF FUNDS OR CREDIT.] If the check has been protested, the notice of protest thereof is admissible as proof of presentation, nonpayment, and protest, and is evidence sufficient to establish a rebuttable presumption that there was a lack of funds or credit with the drawee.

Subd. 5. [PROOF OF IDENTITY.] The check is prima facie evidence of the identity of the drawer if the person receiving the check:

(a) records the following information about the drawer on the check, unless it is printed on the face of the check:

(1) full name;

- (2) home or work address;
- (3) home or work telephone number; and
- (4) identification number issued pursuant to section 171.07;

(b) compares the drawer's physical appearance, signature, and the personal information recorded on the check with the drawer's identification card issued pursuant to section 171.07; and

(c) initials the check to indicate compliance with these requirements.

Subd. 6. [EXCEPTION.] Subdivision 3, clause (2), does not apply to a postdated check.

Subd. 7. [DEFENSES.] Any defense otherwise available to the drawer also applies to liability under this section.

Sec. 7. Minnesota Statutes 1982, section 487.30, subdivision 4, is amended to read:

Subd. 4. [JURISDICTION; (WORTHLESS) DISHONORED CHECKS.] The conciliation court has jurisdiction to determine a civil action commenced by a plaintiff, resident of the county, to recover the amount of a (WORTHLESS) dishonored check as defined in section 2 issued in the county (WITHIN THE MEANING OF SECTION 609.535), (NOTWITHSTANDING THAT) even though the defendant or defendants are not residents of the county (PROVIDED THAT), if the notice of nonpayment or dishonor (REQUIRED BY) described in section 609.535, subdivision 3, is sent to the maker or drawer as specified therein and the notice states that the payee or holder of the check (OR OTHER ORDER OF PAYMENT OF MONEY) may commence a conciliation court action in the county where the (WORTHLESS) dishonored check was issued to recover the amount of the check. This subdivision does not apply to a check (OR OTHER ORDER FOR PAYMENT OF MONEY) that has been dishonored by a stop payment order. Notwithstanding any law or rule of civil procedure to the contrary, the summons in any action commenced under this subdivision may be served anywhere within the state of Minnesota. The conciliation court clerk shall attach a copy of the dishonored check (OR OTHER ORDER FOR PAYMENT OF MONEY) to the summons before it is issued.

Sec. 8. Minnesota Statutes 1982, section 488A.12, subdivision 3, is amended to read:

Subd. 3. [JURISDICTION.] (a) Excepting actions involving title to real estate, the court has jurisdiction to hear, con-

ciliate, try, and determine civil actions at law where the amount in controversy does not exceed the sum of \$1,250. The territorial jurisdiction of the court is coextensive with the geographic boundaries of the county of Hennepin.

(b) Notwithstanding the provisions of (CLAUSE) *paragraph (a)*, or any rule of court to the contrary, the conciliation court of Hennepin county has jurisdiction to determine an action brought pursuant to section 504.20 for the recovery of a deposit on rental property located in whole or in part in Hennepin county, and the summons in the action may be served anywhere within the state of Minnesota.

(c) Notwithstanding the provisions of (CLAUSE) *paragraph (a)*, or any rule of court to the contrary, the conciliation court of Hennepin county has jurisdiction to determine a civil action commenced by a plaintiff, a resident of Hennepin county, to recover the amount of a (WORTHLESS) *dishonored check as defined in section 2* issued in the county (WITHIN THE MEANING OF SECTION 609.535), (NOTWITHSTANDING THAT) *even though* the defendant or defendants are not residents of Hennepin county (PROVIDED THAT), *if* the notice of nonpayment or dishonor (REQUIRED BY) *described in section 609.535, subdivision 3*, is sent to the maker or drawer as specified therein and the notice states that the payee or holder of the check (OR OTHER ORDER OF PAYMENT OF MONEY) may commence a conciliation court action in the county where the (WORTHLESS) *dishonored check* was issued to recover the amount of the check. This clause does not apply to a check (OR OTHER ORDER FOR PAYMENT OF MONEY) that has been dishonored by a stop payment order. Notwithstanding any law or rule of civil procedure to the contrary, the summons in any action commenced under this clause may be served anywhere within the state of Minnesota. The conciliation court administrator shall attach a copy of the dishonored check (OR OTHER ORDER FOR PAYMENT OF MONEY) to the summons before it is issued.

Sec. 9. Minnesota Statutes 1982, section 488A.29, subdivision 3, is amended to read:

Subd. 3. [JURISDICTION.] (a) Excepting actions involving title to real estate, the court has jurisdiction to hear, conciliate, try and determine civil actions at law where the amount in controversy does not exceed the sum of \$1,250. The territorial jurisdiction of the court is coextensive with the geographic boundaries of the county of Ramsey.

(b) Notwithstanding the provisions of (CLAUSE) *paragraph (a)* or any rule of court to the contrary, the conciliation court of Ramsey county has jurisdiction to determine an action brought pursuant to section 504.20 for the recovery of a deposit on rental property located in whole or in part in Ramsey county,

and the summons in the action may be served anywhere in the state of Minnesota.

(c) Notwithstanding the provisions of (CLAUSE) *paragraph* (a) or any rule of court to the contrary, the conciliation court of Ramsey county has jurisdiction to determine a civil action commenced by a plaintiff, resident of Ramsey county, to recover the amount of a (WORTHLESS) *dishonored check as defined in section 2* issued in the county (WITHIN THE MEANING OF SECTION 609.535), (NOTWITHSTANDING THAT) *even though* the defendant or defendants are not residents of Ramsey county (PROVIDED THAT), *if* the notice of nonpayment or dishonor (REQUIRED BY) *described in section 609.535, subdivision 3,* is sent to the maker or drawer as specified therein and the notice states that the payee or holder of the check (OR OTHER ORDER OF PAYMENT OF MONEY) may commence a conciliation court action in the county where the (WORTHLESS) *dishonored check* was issued to recover the amount of the check. This clause does not apply to a check (OR OTHER ORDER FOR THE PAYMENT OF MONEY) that has been dishonored by a stop payment order. Notwithstanding any law or rule of civil procedure to the contrary, the summons in any action commenced under this clause may be served anywhere within the state of Minnesota. The conciliation court administrator shall attach a copy of the dishonored check (OR OTHER ORDER FOR PAYMENT OF MONEY) to the summons before it is issued.

Sec. 10. Minnesota Statutes 1982, section 609.535, subdivision 6, is amended to read:

Subd. 6. [RELEASE OF ACCOUNT INFORMATION TO LAW ENFORCEMENT AUTHORITIES.] A drawee shall not be liable in a civil or criminal proceeding for releasing the information specified below to any state, county, or local law enforcement or prosecuting authority which first certifies in writing that it is investigating or prosecuting a complaint against the drawer under this section or section 609.52, subdivision 2, clause (3)(a), and that 15 days have elapsed since the mailing of the notice required by (SUBDIVISION) *subdivisions 3 and 8.* This subdivision applies to the following information relating to the drawer's account:

(1) Documents relating to the opening of the account by the drawer;

(2) (CORRESPONDENCE BETWEEN THE DRAWER AND THE DRAWEE RELATING TO THE STATUS OF THE ACCOUNT) *Notices regarding nonsufficient funds, overdrafts, and the dishonor of any instrument drawn on the account within a period of six months of the date of request;*

(3) Periodic statements mailed to the drawer by the drawee for the periods immediately prior to, during, and subsequent to the issuance of any check or other order for the payment of money which is the subject of the investigation or prosecution; or

(4) The last known home and business addresses and telephone numbers of the drawer.

The drawee shall release all of the information described in clauses (1) to (4) which it possesses within ten days after receipt of a request conforming to all of the provisions of this subdivision. The drawee may impose a reasonable fee for the cost for furnishing this information to law enforcement or prosecuting authorities, not to exceed 15 cents per page.

Sec. 11. Minnesota Statutes 1982, section 609.535, subdivision 7, is amended to read:

Subd. 7. [RELEASE OF ACCOUNT INFORMATION TO PAYEE OR HOLDER.] (IF THERE IS A WRITTEN REQUEST TO A DRAWEE FROM A PAYEE OR HOLDER OF A CHECK OR OTHER ORDER FOR THE PAYMENT OF MONEY THAT HAS BEEN DISHONORED OTHER THAN BY A STOP PAYMENT ORDER, WHICH REQUEST IS ACCOMPANIED BY A COPY OF THE DISHONORED CHECK OR OTHER ORDER FOR PAYMENT OF MONEY, THE) A drawee is not liable in a civil or criminal proceeding for releasing the information specified in clauses (1) and (2) to the payee or holder (ANY OF) of a check or other order for the payment of money that has been dishonored who first makes a written request for this information and states in writing that the check or other order for the payment of money has not been honored and that ten business days have elapsed since the mailing of the notice described in subdivision 8 and who accompanies this request with a copy of the dishonored check or other order for the payment of money and a copy of the notice of dishonor.

The requesting payee or holder shall notify the drawee immediately to cancel this request if payment is made before the drawee has released this information.

This subdivision applies to the following information relating to the drawer's account:

(1) Whether at the time the check or other order for payment of money was issued or presented for payment the drawer had sufficient funds or credit with the drawee, and whether at that time the account was open, closed or restricted for any reason and the date it was closed or restricted; and

(2) The last known home and business addresses and telephone numbers of the drawer.

The drawee shall release all of the information described in clauses (1) and (2) which it possesses within ten days after receipt of a request conforming to all of the provisions of this subdivision. The drawee may require the person requesting the information to pay the reasonable costs, not to exceed 15 cents per page, of reproducing and mailing the requested information.

Sec. 12. Minnesota Statutes 1982, section 609.535, subdivision 8, is amended to read:

Subd. 8. [NOTICE.] The provisions of subdivisions 6 and 7 are not applicable unless the notice to the maker or drawer required by subdivision 3 states that if the check or other order for the payment of money is not paid in full within five business days after mailing of the notice, the drawee (MAY) *will be authorized to release information relating to the account to the payee or holder of the check or other order for the payment of money and may also release this information to law enforcement or prosecuting authorities.*"

Page 6, delete line 24 and insert:

"Sections 1 to 4 are effective January 1, 1984. Sections 5 to 12 are effective August 1, 1983."

Renumber the remaining section

Amend the title as follows:

Page 1, line 2, delete "data privacy" and insert "commerce"

Page 1, after line 3, insert "establishing procedures for opening checking accounts; providing for civil liability for issuance of dishonored checks; clarifying conciliation court jurisdiction for actions on dishonored checks; requiring release of certain account information to check holders and law enforcement authorities; amending Minnesota Statutes 1982, sections 487.30, subdivision 4; 488A.12, subdivision 3; 488A.29, subdivision 3; and 609.535, subdivisions 6, 7, and 8;"

Page 1, line 4, delete "chapter" and insert "chapters"

Page 1, line 5, after "13A" insert ", 48, and 332"

H. F. No. 380 which it recommended to pass with the following amendment, as amended by the Vanasek amendment, offered by Ogren, Staten, Vanasek and Blatz:

Page 1, after line 9, insert:

"Subdivision 1. [DUTY TO ASSIST.] Any person who knows that another person is exposed to grave physical harm

shall, to the extent that he can do so without danger or peril to himself or without interference with important duties owed to others, give reasonable assistance to the exposed person. Any person who violates this section is guilty of a misdemeanor and may be sentenced to imprisonment for not more than 90 days or to payment of a fine of not more than \$500, or both.

Any person who renders assistance to another in compliance with this subdivision is immune from civil liability as a result of his acts or omissions in rendering the assistance unless he acts in a willful and wanton or reckless manner in rendering the assistance."

Page 1, line 10, before the "A" insert "Subd. 2. [GENERAL IMMUNITY FROM LIABILITY.]"

On the motion of Eken the report of the Committee of the Whole was adopted.

ROLL CALLS IN COMMITTEE OF THE WHOLE

Pursuant to rule 1.6, the following roll calls were taken in the Committee of the Whole:

Ogren, Staten, Vanasek and Blatz moved to amend H. F. No. 380, the first engrossment, as amended by the Vanasek amendment, as follows:

Page 1, after line 9, insert:

"Subdivision 1. [DUTY TO ASSIST.] Any person who knows that another person is exposed to grave physical harm shall, to the extent that he can do so without danger or peril to himself or without interference with important duties owed to others, give reasonable assistance to the exposed person. Any person who violates this section is guilty of a misdemeanor and may be sentenced to imprisonment for not more than 90 days or to payment of a fine of not more than \$500, or both.

Any person who renders assistance to another in compliance with this subdivision is immune from civil liability as a result of his acts or omissions in rendering the assistance unless he acts in a willful and wanton or reckless manner in rendering the assistance."

Page 1, line 10, before the "A" insert "Subd. 2. [GENERAL IMMUNITY FROM LIABILITY.]"

The question was taken on the amendment, as amended, and the roll was called. There were 93 yeas and 31 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Coleman	Larsen	Osthoff	Simoneau
Anderson, G.	Dimler	Long	Peterson	Skoglund
Anderson, R.	Eken	Mann	Piper	Soiberg
Battaglia	Elioff	Marsh	Price	Sparby
Beard	Ellingson	McDonald	Quinn	Staten
Begich	Graba	McEachern	Quist	Swanson
Bennett	Greenfield	Metzen	Redalen	Thiede
Bergstrom	Gustafson	Minne	Reif	Tomlinson
Berkelman	Gutknecht	Munger	Rice	Valan
Bishop	Himle	Murphy	Riveness	Valento
Blatz	Hoffman	Nelson, D.	Rodosovich	Vanasek
Brandl	Jacobs	Nelson, K.	Rodriguez, C.	Voss
Brinkman	Johnson	Neuenschwander	Rodriguez, F.	Waltman
Burger	Kahn	Norton	Rose	Welch
Carlson, L.	Kalis	O'Connor	Sarna	Welle
Clark, J.	Kelly	Ogren	Scheid	Wenzel
Clark, K.	Knuth	Olsen	Seaberg	Wynia
Clawson	Kostohryz	Omman	Segal	
Cohen	Krueger	Onnen	Shea	

Those who voted in the negative were:

Dempsey	Gruenes	Knickerbocker	Schreiber	Wigley
DenOuden	Halberg	Kvam	Shaver	Zaffke
Erickson	Haukoos	Levi	Sviggum	Speaker Sieben
Evans	Heap	Ludeman	Tunheim	
Findlay	Heinitz	McKasy	Uphus	
Fjoslien	Jennings	Piepho	Veilenga	
Frerichs	Jensen	Schafer	Welker	

The motion prevailed and the amendment, as amended, was adopted.

The question was taken on the DenOuden motion to re-refer H. F. No. 380, as amended, to the Committee on Judiciary, and the roll was called. There were 22 yeas and 93 nays as follows:

Those who voted in the affirmative were:

DenOuden	Gruenes	Jennings	Schafer	Wigley
Erickson	Halberg	Kvam	Sviggum	Zaffke
Findlay	Haukoos	Levi	Thiede	
Fjoslien	Heap	Ludeman	Uphus	
Frerichs	Heinitz	McKasy	Welker	

Those who voted in the negative were:

Anderson, B.	Clark, J.	Greenfield	Long	O'Connor
Anderson, G.	Clark, K.	Gustafson	Mann	Ogren
Anderson, R.	Clawson	Gutknecht	Marsh	Olsen
Battaglia	Cohen	Himle	McDonald	Onnen
Begich	Coleman	Hoffman	McEachern	Peterson
Bennett	Dempsey	Jacobs	Metzen	Piepho
Bergstrom	Dimler	Kahn	Minne	Piper
Berkelman	Eken	Kalis	Munger	Price
Bishop	Elioff	Kelly	Murphy	Quinn
Blatz	Ellingson	Knuth	Nelson, D.	Quist
Brandl	Evans	Kostohryz	Nelson, K.	Reif
Burger	Forsythe	Krueger	Neuenschwander	Rice
Carlson, L.	Graba	Larsen	Norton	Riveness

Rodosovich	Seaberg	Solberg	Valan	Welle
Rodriguez, C.	Segal	Sparby	Vanasek	Wenzel
Rodriguez, F.	Shaver	Staten	Vellenga	Wynia
Rose	Shea	Swanson	Voss	Speaker Sieben
Sarna	Simoncau	Tomlinson	Waltman	
Scheid	Skoglund	Tunheim	Welch	

The motion did not prevail.

MOTIONS AND RESOLUTIONS

Schafer moved that the name of Gutknecht be added as an author on H. F. No. 473. The motion prevailed.

Anderson, B., moved that the name of Sieben be stricken and the name of Wenzel be added as an author on H. F. No. 639. The motion prevailed.

Cohen moved that his name be stricken as an author on H. F. No. 648. The motion prevailed.

Vanasek moved that the names of Quist and Rodosovich be added as authors on H. F. No. 1258. The motion prevailed.

Eken introduced:

House Concurrent Resolution No. 4, A house concurrent resolution providing for a joint convention of the Senate and the House of Representatives to elect members of the Board of Regents of the University of Minnesota.

SUSPENSION OF RULES

Eken moved that the rules be so far suspended that House Concurrent Resolution No. 4 be now considered and be placed upon its adoption. The motion prevailed.

HOUSE CONCURRENT RESOLUTION NO. 4

A house concurrent resolution providing for a joint convention of the Senate and the House of Representatives to elect members of the Board of Regents of the University of Minnesota.

Be It Resolved by the House of Representatives of the State of Minnesota, the Senate concurring:

(1) The House of Representatives and the Senate shall meet in joint convention on Tuesday, May 3, 1983, in the chamber of the House of Representatives to elect members to the Board of Regents of the University of Minnesota.

(2) The Education Committee of the Senate and the Education Committee of the House of Representatives, in a joint meeting, are appointed to submit a slate of nominations and to report the slate at the meeting of the joint convention.

Eken moved that House Concurrent Resolution No. 4 be now adopted. The motion prevailed and House Concurrent Resolution No. 4 was adopted.

ADJOURNMENT

Eken moved that when the House adjourns today it adjourn until 2:00 p.m., Wednesday, April 27, 1983. The motion prevailed.

Eken moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 2:00 p.m., Wednesday, April 27, 1983.

EDWARD A. BURDICK, Chief Clerk, House of Representatives

STATE OF MINNESOTA

SEVENTY-THIRD SESSION - 1983

FORTIETH DAY

SAINT PAUL, MINNESOTA, TUESDAY, APRIL 26, 1983

The Senate met on Tuesday, April 26, 1983, which was the Fortieth Legislative Day of the Seventy-third Session of the Minnesota State Legislature. The House of Representatives did not meet on this date.

STATE OF MINNESOTA

SEVENTY-THIRD SESSION - 1983

FORTY-FIRST DAY

SAINT PAUL, MINNESOTA, WEDNESDAY, APRIL 27, 1983

The House of Representatives convened at 2:00 p.m. and was called to order by Harry A. Sieben, Jr., Speaker of the House.

Prayer was offered by Reverend Tyrone L. Burkette, Dayton Ave. Presbyterian Church, St. Paul, Minnesota.

The roll was called and the following members were present:

Anderson, B.	Fjoslien	Kvam	Piepho	Solberg
Anderson, G.	Forsythe	Larsen	Piper	Sparby
Anderson, R.	Frerichs	Levi	Price	Stadum
Battaglia	Graba	Long	Quinn	Staten
Beard	Greenfield	Ludeman	Quist	Sviggum
Begich	Gruenes	Mann	Redalen	Swanson
Bennett	Gustafson	Marsh	Reif	Thiede
Bergstrom	Gutknecht	McDonald	Rice	Tomlinson
Bishop	Halberg	McEachern	Riveness	Tunheim
Brandl	Haukoos	McKasy	Rodosovich	Uphus
Brinkman	Heap	Metzen	Rodriguez, C.	Valan
Burger	Heinitz	Minne	Rodriguez, F.	Valento
Carlson, D.	Himle	Munger	Rose	Vanasek
Carlson, L.	Hoffman	Murphy	St. Onge	Vellenga
Clark, J.	Hokr	Nelson, D.	Sarna	Voss
Clark, K.	Jacobs	Nelson, K.	Schafer	Waltman
Clawson	Jennings	Neuenschwander	Scheid	Welch
Cohen	Jensen	Norton	Schoenfeld	Welker
Coleman	Johnson	O'Connor	Schreiber	Welle
Dempsey	Kahn	Ogren	Seaberg	Wenzel
DenOuden	Kalis	Olsen	Segal	Wigley
Dimler	Kelly	Omann	Shaver	Wynia
Eken	Kniickerbocker	Onnen	Shea	Zaffke
Elioff	Knuth	Osthoff	Sherman	Speaker Sieben
Erickson	Kostohryz	Otis	Simoneau	
Findlay	Krueger	Peterson	Skoglund	

A quorum was present.

Hoberg and Pauly were excused.

Berkelman was excused until 2:20 p.m. Ellingson was excused until 2:45 p.m. Evans was excused until 3:00 p.m. Blatz was excused until 4:00 p.m.

The Chief Clerk proceeded to read the Journals of the preceding days. Kvam moved that further reading of the Journals be dispensed with and that the Journals 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. 681, 926, 1136, 111, 245, 748, 847, 873, 1101, 1074, 1106, 642, 1040, 1049, 1065, 1100, 270, 380, 594 and 92 and S. F. Nos. 1195, 170, 634, 679, 887, 889, 1067, 611, 87, 455, 591, 844 and 280 have been placed in the members' files.

S. F. No. 1067 and H. F. No. 1136, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Marsh moved that the rules be so far suspended that S. F. No. 1067 be substituted for H. F. No. 1136 and that the House File be indefinitely postponed. The motion prevailed.

REPORTS OF STANDING COMMITTEES

Vanasek from the Committee on Judiciary to which was referred:

H. F. No. 109, A bill for an act relating to human rights; prohibiting unfair discriminatory practices on the basis of affectional or sexual orientation; amending Minnesota Statutes 1982, sections 363.01, subdivision 24, and by adding a subdivision; 363.02, subdivision 2; 363.03, subdivisions 1, 2, 3, 4, 5, 7, and 8; 363.05, subdivision 1; 363.11; 363.115; and 363.12, subdivision 1.

Reported the same back with the following amendments:

Page 2, after line 1, insert:

"Sec. 3. Minnesota Statutes 1982, 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 his 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 or *affectional or sexual orientation*, when religion or *affectional or sexual orientation* 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) An age restriction applied uniformly and without exception to all individuals established by a bona fide apprenticeship program established pursuant to chapter 178, which limits participation to persons who enter the program prior to some specified age and the trade involved in the program predominantly involves heavy physical labor or work on high structures. Neither shall the operation of a bona fide seniority system which mandates differences in such things as wages, hiring priorities, lay-off priorities, vacation credit, and job assignments based on seniority, be a violation of the age discrimination provisions of section 363.03, subdivision 1, so long as the operation of such system is not a subterfuge to evade the provisions of chapter 363;

(5) With respect to age discrimination, a practice whereby 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 such 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.

It is not an unfair employment practice for an employer, employment agency or labor organization:

(i) to require a person to undergo physical examination for purpose of determining the person's capability to perform available employment; or

(ii) to conduct an investigation as to the person's medical history for the purpose of determining the person's capability to perform available employment; or

(iii) 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

(iv) 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."

Page 4, after line 20, insert:

"Sec. 5. Minnesota Statutes 1982, section 363.02, is amended by adding a subdivision to read:

Subd. 8. [PUBLIC HEALTH.] The provisions of section 363.03 do not apply to policies or actions based on a bona fide public health consideration."

Renumber the remaining sections

Amend the title as follows:

Page 1, line 6, delete the second "subdivision" and insert "subdivisions 1 and"

Page 1, line 6, after "2" insert ", and by adding a subdivision"

With the recommendation that when so amended the bill pass.

The report was adopted.

Norton from the Committee on Governmental Operations to which was referred:

H. F. No. 153, A bill for an act relating to economic development; providing for job training and related services; appropriating money; proposing new law coded in Minnesota Statutes, chapter 268.

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

The report was adopted.

Rice from the Committee on Appropriations to which was referred:

H. F. No. 422, A bill for an act relating to state government; establishing a compensation council to assist in establishing the salary of executive branch agency heads, legislators and constitutional officers; establishing a judicial compensation council; regulating judicial branch salaries; amending Minnesota Statutes 1982, sections 3.099, subdivision 2; 15A.081, subdivision 6; 15A.083, subdivisions 1, 2, 4, 5, and 7; 43A.18, subdivision 5; and 484.68, subdivision 6; proposing new law coded in Minnesota Statutes, chapter 15A.

Reported the same back with the following amendments:

Page 2, line 20, delete "*one justice of the*"

Page 2, delete lines 21 and 22

Page 2, line 23, delete "*who is not a judge,*" and insert "*and five members*"

Page 2, line 27, after the period insert "*No more than two of the members appointed by the chief justice shall be attorneys or judges.*"

Page 2, line 30, after "*and*" delete "*the*" and after "*nonjudge*" insert "*members*"

Page 3, line 26, delete "\$75,000" and insert "\$65,000"

Page 3, line 28, delete "\$70,000" and insert "\$62,000"

Page 3, line 30, delete "\$67,500" and insert "\$59,000"

Page 3, line 35, delete "\$62,500" and insert "\$54,000"

Page 4, line 13, delete "\$62,500" and insert "\$54,000"

Page 4, after line 16, insert:

"Sec. 7. Minnesota Statutes 1982, section 15A.083, is amended by adding a subdivision to read:

Subd. 2a. [SALARY ADJUSTMENTS.] The applicable salary amounts provided in section 5 or 6 or in the salary portion of any judicial compensation plan adopted pursuant to section 4 shall be the amount received by a judge at the time of initial appointment or election. Beginning three years after initial appointment or election, a judge's salary shall be five percent greater than the amount received at the time of initial appointment or election. Beginning five years after initial appointment or election a judge's salary shall be an amount seven percent greater than the amount received at the time of initial appoint-

ment or election. Beginning ten years after initial appointment or election a judge's salary shall be an amount ten percent greater than the amount received at the time of initial appointment or election."

Page 5, line 21, after "COURT" insert "AND CHIEF HEARING EXAMINER"

Page 5, line 22, before "shall" insert "and the chief hearing examiner of the office of administrative hearings"

Page 5, line 28, after "the" insert "base"

Page 5, line 30, after "the" insert "base"

Page 6, line 33, delete "the following" and insert "all"

Page 6, line 33, after "agencies" insert ", except the chief hearing examiner, including"

Page 6, line 34, delete "administrative hearings;"

Page 8, after line 23, insert a new section to read:

"Sec. 15. [APPROPRIATION.]

Subdivision 1. The sums contained in this section are appropriated from the general fund to be available for the fiscal year ending June 30 of the years indicated.

Subd. 2. There is appropriated to the commissioner of finance for the purpose of paying the compensation increases as authorized by this act.

1984	1985
\$2,333,040	\$2,444,030

Subd. 3. There is appropriated to the legislative coordinating commission for the per diem and expenses of the council established in section 3 of this act.

1984	1985
\$6,300	\$3,200

Subd. 4. There is appropriated to the commissioner of employee relations for the per diem and expenses of the council established in section 11 of this act.

1984

1985

\$2,700

\$2,600"

Page 8, line 27, delete "11" and insert "12"

Page 8, line 28, delete "8, 9, and 13" and insert "7, 9, 10, 14, and 15"

Page 8, line 28, after the second "and" delete "7" and insert "8"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 7, after the semicolon insert "appropriating money;"

Page 1, line 9, delete "and" and after "7" insert ", and by adding a subdivision"

With the recommendation that when so amended the bill pass.

The report was adopted.

Kostohryz from the Committee on General Legislation and Veterans Affairs to which was referred:

H. F. No. 449, A bill for an act relating to elections; proposing an amendment to the Minnesota Constitution, article VII, section 9, to limit campaign expenditures by candidates for the United States senate and house of representatives; providing implementing legislation; redefining certain terms in relation to congressional candidates; limiting the applicability of certain provisions of law to state constitutional and state legislative candidates; providing for filing of campaign reports by certain congressional candidates; limiting campaign expenditures by congressional candidates who choose to receive a public subsidy; providing a penalty for exceeding campaign expenditure limits by congressional candidates; changing the designated amount of certain income tax payments; providing for the allocation of party accounts and the general account to certain state and congressional candidates; providing estimates of minimum amounts of public subsidy to be received by certain congressional candidates; requiring signed agreements by certain congressional candidates who choose to receive a public subsidy; specifying when congressional candidates who accept a public subsidy must return all or part thereof; providing for the return of money from the state elections campaign fund to the general fund; making certain technical amendments; imposing penalties; amending Minnesota Statutes 1982, sections 10A.01; 10A.25;

10A.255; 10A.27; 10A.275; 10A.28; 10A.30; 10A.31; 10A.33; 10A.335; and 290.06, subdivision 11; proposing new law coded in Minnesota Statutes, chapter 10A; repealing Minnesota Statutes 1982, section 10A.32.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1982, section 10A.01, is amended to read:

10A.01 [DEFINITIONS.]

Subdivision 1. For the purposes of sections 10A.01 to 10A.34, the terms defined in this section have the meanings given them unless the context clearly indicates otherwise.

Subd. 2. [ADMINISTRATIVE ACTION.] "Administrative action" means an action by any official, board, commission or agency of the executive branch to adopt, amend, or repeal a rule pursuant to chapter 14. "Administrative action" does not include the application or administration of an adopted rule, except in cases of rate setting, power plant and powerline siting and granting of certificates of need under chapter 116J.

Subd. 3. [ASSOCIATION.] "Association" means a business, corporation, firm, partnership, committee, labor organization, club, or any other group of two or more persons, which includes more than *members* of an immediate family, acting in concert.

Subd. 4. [BUSINESS WITH WHICH HE IS ASSOCIATED.] "Business with which he is associated" means any association in connection with which the individual is compensated in excess of \$50 except for actual and reasonable expenses in any month as a director, officer, owner, member, partner, employer or employee, or is a holder of securities worth \$2,500 or more at fair market value.

Subd. 5. [CANDIDATE.] "Candidate" means an individual who seeks nomination or election to any statewide or legislative office for which reporting is not required under federal laws. The term candidate shall also include an individual who seeks nomination or election to supreme court, district court, county court, probate court, or county municipal court judgeships of the state. An individual shall be deemed to seek nomination or election if he has taken the action necessary under the law of the state of Minnesota to qualify himself for nomination or election, has received contributions or made expenditures in excess of \$100, or has given his implicit or explicit consent for any other person to receive contributions or make expenditures in excess of \$100, for the purpose of bringing about his nomina-

tion or election. A candidate remains a candidate until his principal campaign committee is dissolved as provided in section 10A.24.

Subd. 5a. [CONGRESSIONAL CANDIDATE.] "Congressional candidate" means an individual who seeks nomination or election to the United States senate or house of representatives and who is a "candidate" as that term is defined under United States Code, title 2, section 431, paragraph (2), as amended through December 31, 1982.

Subd. 6. [BOARD.] "Board" means the state ethical practices board.

Subd. 7. [CONTRIBUTION.] "Contribution" means:

(a) With respect to a candidate, a transfer of funds or a donation in kind (.)

(CONTRIBUTION) and includes any loan or advance of credit to a political committee, political fund, or principal campaign committee, which loan or advance of credit is ((A)) (1) forgiven, or ((B)) (2) paid by (AN ENTITY) an individual or any association other than the political committee, political fund, or principal campaign committee to which the loan or advance of credit is made. If an advance of credit or a loan is forgiven or paid as provided in this (SUBDIVISION) paragraph, it is a contribution in the year in which the loan or advance of credit is made. A contribution made for the purpose of defeating a candidate is considered made for the purpose of influencing the nomination or election of that candidate or any opponent of that candidate. A contribution does not include services provided without compensation by an individual volunteering his time on behalf of a candidate, ballot question, political committee or political fund, or the publishing or broadcasting of news items or editorial comments by the news media; and

(b) With respect to a congressional candidate, a "contribution" as that term is defined under United States Code, title 2, section 431, paragraph (8), as amended through December 31, 1982.

Subd. 7a. [TRANSFER OF FUNDS; TRANSFER.] "Transfer of funds" or "transfer" means money or negotiable instruments given by an individual or association to a political committee, political fund, or principal campaign committee for the purpose of influencing the nomination or election of a candidate or for the purpose of promoting or defeating a ballot question.

Subd. 7b. [DONATION IN KIND.] "Donation in kind" means anything of value other than money or negotiable instruments given by an individual or association to a political com-

mittee, political fund, or principal campaign committee for the purpose of influencing the nomination or election of a candidate or for the purpose of promoting or defeating a ballot question. Donation in kind includes an approved expenditure.

Subd. 8 [DEPOSITORY.] "Depository" means any bank, savings and loan association or credit union, organized under federal or state law and transacting business within Minnesota.

Subd. 9. [ELECTION.] "Election" means a primary, special primary, general or special election.

Subd. 10. [CAMPAIGN EXPENDITURE; EXPENDITURE.] "Campaign expenditure" or "expenditure" means:

(a) *With respect to a candidate, a purchase or payment of money or anything of value, or an advance of credit, made or incurred for the purpose of influencing the nomination or election of a candidate or for the purpose of promoting or defeating a ballot question. An expenditure is considered to be made in the year in which the goods or services for which it was made are used or consumed. An expenditure made for the purpose of defeating a candidate is considered made for the purpose of influencing the nomination or election of that candidate or any opponent of that candidate. Except as provided in clause ((A),) (1) of this paragraph, an expenditure includes the dollar value of a donation in kind. An expenditure does not include:*

((A)) (1) Noncampaign disbursements as defined in subdivision 10c;

((B)) (2) Transfers as defined in subdivision 7a;

((C)) (3) Services provided without compensation by an individual volunteering his time on behalf of a candidate, ballot question, political committee, or political fund; or

((D)) (4) The publishing or broadcasting of news items or editorial comments by the news media; and

(b) *With respect to a congressional candidate, an "expenditure" as that term is defined under United States Code, title 2, section 431, paragraph (9), as amended through December 31, 1982.*

Subd. 10a. [APPROVED EXPENDITURE.] "Approved expenditure" means an expenditure made on behalf of a candidate by an entity other than the principal campaign committee of that candidate, which expenditure is made with the authorization or expressed or implied consent of, or in cooperation or in concert with, or at the request or suggestion of that candidate,

his principal campaign committee or his agent. An approved expenditure is a contribution to that candidate.

Subd. 10b. [INDEPENDENT EXPENDITURE.] "Independent expenditure" means:

(a) *With respect to a candidate, an expenditure expressly advocating the election or defeat of a clearly identified candidate, which expenditure is made without the express or implied consent, authorization, or cooperation of any candidate, his principal campaign committee or his agent and is not made in concert with or at the request or suggestion of any candidate, his principal campaign committee or his agent. An independent expenditure is not a contribution to that candidate; and*

(b) *With respect to a congressional candidate, an "independent expenditure" as that term is defined under United States Code, title 2, paragraph (17), as amended through December 31, 1982.*

Subd. 10c. [NONCAMPAIGN DISBURSEMENT.] "Non-campaign disbursement" means a purchase or payment of money or anything of value made, or an advance of credit incurred, by a political committee, political fund, or principal campaign committee for any purpose other than to influence the nomination or election of a candidate or to promote or defeat a ballot question.

Noncampaign disbursement includes:

- (a) Payment for accounting and legal services;
- (b) Return of a contribution to the source;
- (c) Repayment of a loan made to the political committee, political fund, or principal campaign committee by that committee or fund;
- (d) Return of moneys from the state elections campaign fund;
- (e) Payment for food and beverages consumed at a fund-raising event;
- (f) Services for a constituent by a member of the legislature or a constitutional officer in the executive branch, performed from the beginning of the term of office to 60 days after adjournment sine die of the legislature in the election year for the office held; and
- (g) A donation in kind given to the political committee, political fund, or principal campaign committee for purposes listed in clauses (e) and (f). The board shall determine whether

an activity involves a noncampaign disbursement within the meaning of this subdivision.

Subd. 11. [LOBBYIST.] "Lobbyist" means any individual:

(a) Engaged for pay or other consideration, or authorized by another individual or association to spend money, who spends more than five hours in any month or more than \$250, not including his own travel expenses and membership dues, in any year, for the purpose of attempting to influence legislative or administrative action by communicating or urging others to communicate with public officials; or

(b) Who spends more than \$250, not including his own traveling expenses and membership dues, in any year for the purpose of attempting to influence legislative or administrative action by communicating or urging others to communicate with public officials.

"Lobbyist" does not include any:

(a) Public official or employee of the state or any of its political subdivisions or public bodies acting in his official capacity;

(b) Party or his representative appearing in a proceeding before a state board, commission or agency of the executive branch unless the board, commission or agency is taking administrative action;

(c) Individual while engaged in selling goods or services to be paid for by public funds;

(d) News media or their employees or agents while engaged in the publishing or broadcasting of news items, editorial comments or paid advertisements which directly or indirectly urge official action;

(e) Paid expert witness whose testimony is requested by the body before which he is appearing, but only to the extent of preparing or delivering testimony;

(f) Stockholder of a family farm corporation as defined in section 500.24, subdivision 1, who does not spend over \$250, excluding his own travel expenses, in any year in communicating with public officials; or

(g) Party or his representative appearing to present a claim to the legislature and communicating to legislators only by the filing of a claim form and supporting documents and by appearing at public hearings on the claim.

Subd. 12. [MAJOR POLITICAL PARTY.] "Major political party" means a major political party as defined in section 200.02, subdivision 7.

Subd. 13. [MINOR POLITICAL PARTY.] "Minor political party" means any party other than a major political party:

(a) Under whose name in the last applicable general election a candidate filed for a *state* legislative office and received not less than 10 percent of the vote for that office, or filed for statewide office *other than for the office of United States senator*; or

(b) *Under whose name in the last applicable general election a congressional candidate filed for the office of representative in congress and received not less than ten percent of the vote for that office, or filed for the office of United States senator; or*

((B)) (c) Which files a petition with the secretary of state containing the names of 2,000 individuals registered to vote in Minnesota and declaring that the signers desire that the party be eligible to receive money from the state elections campaign fund in the same manner as a major political party.

For the purposes of this chapter, all individuals who are eligible to vote in areas where there is no permanent system of registration shall be considered registered voters.

Subd. 15. [POLITICAL COMMITTEE.] "Political committee" means:

(a) *With respect to a candidate, any association as defined in subdivision 3 whose major purpose is to influence the nomination or election of a candidate or to promote or defeat a ballot question; and*

(b) *With respect to a congressional candidate, a "political committee" as that term is defined under United States Code, title 2, section 431, paragraph (4), as amended through December 31, 1982.*

"Political committee" includes a major political party (AS DEFINED IN SUBDIVISION 12), a minor political party (AS DEFINED IN SUBDIVISION 13), (AND ANY) a principal campaign committee (FORMED PURSUANT TO SECTION 10A.19) of a candidate or congressional candidate, and any authorized committee of a congressional candidate.

Subd. 15a. [PRINCIPAL CAMPAIGN COMMITTEE.] "Principal campaign committee" means:

(a) *With respect to a candidate, a political committee designated and caused to be formed by that candidate under section 10A.19; and*

(b) *With respect to a congressional candidate, a political committee designated and authorized by that congressional candidate under United States Code, title 2, section 432, subsection (e)(1), as amended through December 31, 1982.*

Subd. 15b. [AUTHORIZED COMMITTEE.] "Authorized committee" means the principal campaign committee or any other political committee designated and authorized by a congressional candidate under United States Code, title 2, section 432, subsection (e)(1), as amended through December 31, 1982, to receive contributions or make expenditures on behalf of that congressional candidate.

Subd. 16. [POLITICAL FUND.] "Political fund" means any accumulation of dues or voluntary contributions by an association other than a political committee, which accumulation is collected or expended for the purpose of influencing the nomination or election of a candidate or for the purpose of promoting or defeating a ballot question.

Subd. 17. [POLITICAL PARTY.] "Political party" means either a major political party or a minor political party.

Subd. 18. [PUBLIC OFFICIAL.] "Public official" means any:

- (a) Member of the legislature;
- (b) Constitutional officer in the executive branch and his 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) Hearing examiner or compensation judge in the state office of administrative hearings or hearing examiner in the department of economic security;
- (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, metropolitan transit commission, metropolitan waste control commission, metropolitan parks and open spaces commission, metropolitan airports commission or metropolitan sports facilities commission.

Subd. 19. [OFFICE HOLDER.] "Office holder" means an individual who holds any statewide or legislative office, except a federal office for which candidates are required to report under federal laws, state supreme court justice or district court judge.

Subd. 20. [ADVANCE OF CREDIT.] "Advance of credit" means any money owed for goods provided or services rendered. An advance of credit is an expenditure or a noncampaign disbursement in the year in which the goods or services are used or consumed. Advance of credit does not mean loan as defined in subdivision 21.

Subd. 21. [LOAN.] "Loan" means an advance of money or anything of value made to a political committee, political fund, or principal campaign committee.

Subd. 22. [FINANCIAL INSTITUTION.] "Financial institution" means a lending institution chartered by an agency of the federal government or regulated by the commissioner of banks.

Subd. 23. [BALLOT QUESTION.] "Ballot question" means a question or proposition which is placed on the ballot and which may be voted on by all voters of the state. "Promoting or defeating a ballot question" includes activities related to qualifying the question for placement on the ballot.

Sec. 2. [10A.105] [LIMITATION ON APPLICABILITY.]

The provisions of sections 10A.11 to 10A.24 relating to the organization, registration, and administration of and reporting and disclosure by political committees; including principal campaign committees, and political funds are not applicable to congressional candidates and authorized committees of congressional candidates. The organization, registration, and administration of and reporting and disclosure by authorized committees of congressional candidates is governed by the relevant provisions of United States Code, title 2, chapter 14, as amended through December 31, 1982.

Sec. 3. [10A.245] [CAMPAIGN REPORTS; CONGRESSIONAL CANDIDATES.]

A congressional candidate who agrees to be bound by the expenditure limits set forth under section 10A.25, as adjusted by section 10A.255, as a condition of receiving a public subsidy for his campaign shall file with the board copies of all reports that he or his principal campaign committee treasurer acting for him is required to file under United States Code, title 2, chapter 14, as amended through December 31, 1982. The reports shall be filed with the board at the times required under United States Code, title 2, section 434, as amended through December 31, 1982.

Sec. 4. Minnesota Statutes 1982, section 10A.25, is amended to read:

10A.25 [LIMITS ON CAMPAIGN EXPENDITURES.]

Subdivision 1. [GOVERNOR AND LIEUTENANT GOVERNOR CONSIDERED AS SINGLE CANDIDACY.] For the purposes of sections 10A.11 to 10A.34 a candidate for governor and a candidate for lieutenant governor, running together, shall be deemed to be a single candidate. Except as provided in subdivision 3, all expenditures made by and all approved expenditures made on behalf of the candidate for lieutenant governor shall be considered to be expenditures by and approved expenditures on behalf of the candidate for governor.

Subd. 2. [CANDIDATES.] In a year in which an election is held for an office sought by a candidate, no expenditures shall be made by the principal campaign committee of that candidate, nor any approved expenditures made on behalf of that candidate which expenditures and approved expenditures result in an aggregate amount in excess of the following:

(a) For governor and lieutenant governor, running together, (12 1/2 CENTS PER CAPITA OR \$600,000, WHICHEVER IS GREATER) \$1,270,000;

(b) For attorney general, (2 1/2 CENTS PER CAPITA OR \$100,000, WHICHEVER IS GREATER) \$211,800;

(c) For secretary of state, state treasurer and state auditor, separately, (1 1/4 CENTS PER CAPITA OR \$50,000, WHICHEVER IS GREATER) \$105,900;

(d) For state senator, (20 CENTS PER CAPITA OR \$15,000, WHICHEVER IS GREATER) \$31,770;

(e) For state representative, (20 CENTS PER CAPITA OR \$7,500 WHICHEVER IS GREATER) \$15,885.

Subd. 2a. [CONGRESSIONAL CANDIDATES.] In a year in which an election is held for an office sought by a congressional candidate, no expenditures shall be made by the authorized committees of that congressional candidate which result in an aggregate amount in excess of the following:

(a) For United States senator, \$1,500,000;

(b) For representative in congress, \$250,000.

Subd. 3. [LIEUTENANT GOVERNOR ENDORSEMENT.] Notwithstanding subdivision 2, clause (a), a candidate for endorsement for the office of lieutenant governor at the convention of a political party may make expenditures and approved expenditures of \$30,000 or five percent of the amount in subdivision 2, clause (a), whichever is greater, to seek endorsement. This amount shall be in addition to the amount which may be expended pursuant to subdivision 2, clause (a).

Subd. 4. [EXCEPTION.] The limits prescribed in section 10A.25 shall not apply to any expenditure or approved expenditure made or advance of credit incurred before February 28, 1978 unless the goods or services for which they were made or incurred are consumed or used after February 28, 1978.

Subd. 5. [CANDIDATES IN CONTESTED PRIMARY RACES.] Notwithstanding the limits imposed by subdivision 2, the winning candidate in a contested race in a primary who receives less than twice as many votes as any one of his opponents in that primary may make aggregate expenditures and approved expenditures equal to 120 percent of the applicable amount as set forth in subdivision 2.

Subd. 5a. [CONGRESSIONAL CANDIDATES IN CONTESTED PRIMARY RACES.] *Notwithstanding the limits im-*

posed by subdivision 2a, the winning congressional candidate in a contested race in a primary who receives less than twice as many votes as any one of his opponents in that primary may make aggregate expenditures equal to 120 percent of the applicable amount set forth in subdivision 2a.

Subd. 6. [POST-ELECTION YEAR EXPENDITURES BY OR ON BEHALF OF CANDIDATES.] In any year following an election year for the office held or sought, the aggregate amount of expenditures by and approved expenditures on behalf of a candidate for or holder of that office shall not exceed 20 percent of the expenditure limit set forth in subdivision 2, as adjusted by section 10A.255.

Subd. 6a. [POST-ELECTION YEAR EXPENDITURES BY CONGRESSIONAL CANDIDATES.] In any year following an election year for the office held or sought, the aggregate amount of expenditures on behalf of a congressional candidate for or holder of that office shall not exceed 20 percent of the expenditure limit set forth in subdivision 2a, as adjusted by section 10A.255.

(SUBD. 7. [POPULATION ESTIMATES.] ON OR BEFORE DECEMBER 1 OF EACH YEAR, THE STATE DEMOGRAPHER SHALL CERTIFY TO THE BOARD THE ESTIMATED POPULATION OF THE STATE OF MINNESOTA FOR THE NEXT CALENDAR YEAR. ON OR BEFORE DECEMBER 31 OF EACH YEAR THE BOARD SHALL DETERMINE AND PUBLISH IN THE STATE REGISTER THE EXPENDITURE LIMITS FOR EACH OFFICE FOR THE NEXT CALENDAR YEAR AS PRESCRIBED BY SUBDIVISION 2, USING THE FOLLOWING ESTIMATED POPULATION FIGURES:)

((A) FOR THE OFFICES OF GOVERNOR AND LIEUTENANT GOVERNOR, ATTORNEY GENERAL, SECRETARY OF STATE, STATE TREASURER AND STATE AUDITOR, THE TOTAL ESTIMATED POPULATION OF THE STATE;)

((B) FOR THE OFFICE OF STATE SENATOR, 1/67 OF THE TOTAL ESTIMATED POPULATION OF THE STATE;)

((C) FOR THE OFFICE OF STATE REPRESENTATIVE, 1/134 OF THE TOTAL ESTIMATED POPULATION OF THE STATE;)

(THE LIMITS PRESCRIBED BY SUBDIVISION 2 AND 2A SHALL BE ROUNDED OFF TO THE NEAREST \$100.)

Subd. 10. [APPLICABILITY OF EXPENDITURE LIMITS]. The expenditure limits imposed by this section apply

only to candidates *and congressional candidates* who agree to be bound by the limits as a condition of receiving a public subsidy for their campaigns in the form of:

(a) An allocation of money from the state elections campaign fund; or

(b) Credits against the tax due of individuals who contribute to that candidate *or congressional candidate*.

Subd. 11. [NO LIMITS ON INDEPENDENT EXPENDITURES.] Nothing in this section shall be construed as limiting independent expenditures on behalf of a candidate or congressional candidate.

Sec. 5. Minnesota Statutes 1982, section 10A.255, is amended to read:

10A.255 [ADJUSTMENT BY CONSUMER PRICE INDEX.]

Subdivision 1. [PROCEDURE FOR ADJUSTMENT.] The dollar amounts provided in section 10A.25, (SUBDIVISION) *subdivisions 2 and 2a*, shall be adjusted for general election year 1984 and subsequent general election years as provided in this section. By June 1 of the general election year, the executive director of the board shall determine the percentage increase in the consumer price index from April of the last general election year to April of the year in which the determination is made. The dollar amounts used for the preceding general election year shall be multiplied by that percentage. The product of the calculation shall be added to each dollar amount to produce the dollar limitations to be in effect for the next general election. The product shall be rounded up to the next highest whole dollar. The index used shall be the revised consumer price index for all urban consumers for the St. Paul-Minneapolis metropolitan area prepared by the United States department of labor with 1967 as a base year.

Subd. 2. [EXCEPTION.] The dollar amounts provided in section 10A.25, subdivision (2) *2a*, shall be adjusted for (1982) 1984 in the manner provided in subdivision 1, except that the (PERCENTAGE INCREASE IN THE CONSUMER PRICE INDEX SHALL BE DETERMINED FROM APRIL OF 1974 TO APRIL OF 1982 AND THE ADJUSTMENT SHALL BE CALCULATED BY THE EXECUTIVE DIRECTOR BY JUNE 1, 1982) *dollar amounts used for the preceding general election year for the offices of United States senator and representative in congress shall be \$1,500,000 and \$250,000 respectively.*

Subd. 3. [PUBLICATION OF EXPENDITURE LIMIT.] *On or before June 15 of each year, the board shall publish in the*

state register the expenditure limits for each office for that calendar year, as provided in section 10A.25.

Sec. 6. Minnesota Statutes 1982, section 10A.27, is amended to read:

10A.27 [(ADDITIONAL LIMITATIONS) LIMITS ON CAMPAIGN CONTRIBUTIONS AND LOANS.]

Subdivision 1. [CONTRIBUTIONS TO A CANDIDATE.] Except as provided in subdivisions 2 and 6, no candidate shall permit his principal campaign committee to accept contributions from any individual, political committee, or political fund in excess of the following:

(a) To candidates for governor and lieutenant governor running together, \$60,000 in an election year for the office sought and \$12,000 in other years;

(b) To a candidate for attorney general, \$10,000 in an election year for the office sought and \$2,000 in other years;

(c) To a candidate for the office of secretary of state, state treasurer or state auditor, \$5,000 in an election year for the office sought and \$1,000 in other years;

(d) To a candidate for state senator, \$1,500 in an election year for the office sought and \$300 in other years; and

(e) To a candidate for state representative, \$750 in an election year for the office sought and \$150 in the other year.

Subd. 2. [CONTRIBUTIONS TO CANDIDATES BY POLITICAL PARTIES.] No candidate shall permit his principal campaign committee to accept contributions from any political party in excess of five times the amount that may be contributed to that candidate by a political committee as set forth in subdivision 1.

Subd. 4. [POLITICAL PARTY DEFINED.] For the purposes of this section, a political party means the aggregate of the party organization within each house of the legislature, the state party organization, and the party organization within congressional districts; counties, legislative districts, municipalities, and precincts.

(SUBD. 5. [INDEPENDENT EXPENDITURES.] NOTHING IN THIS SECTION SHALL BE CONSTRUED AS LIMITING INDEPENDENT EXPENDITURES ON BEHALF OF A CANDIDATE.)

Subd. 6. [CONTRIBUTIONS BY A CANDIDATE.] Nothing in this section shall be construed as limiting the amount which may be contributed by a candidate for the purpose of influencing his own nomination or election.

Subd. 7. [EXCEPTION.] Contributions and approved expenditures made prior to February 28, 1978 which are in excess of the limits imposed by this section shall not be in violation of this section but shall be disclosed as required by this chapter.

Subd. 8. [LOANS TO A CANDIDATE.] No candidate shall permit his principal campaign committee to accept a loan from other than a financial institution for an amount in excess of the contribution limits imposed by this section. No candidate shall permit his principal campaign committee to accept any loan from a financial institution for which that financial institution may hold any endorser of that loan liable to pay any amount in excess of the amount that the endorser may contribute to that candidate.

Subd. 9. [CONTRIBUTION AND LOAN LIMITATIONS APPLICABLE TO A CONGRESSIONAL CANDIDATE.] Contributions by and to a congressional candidate and loans to a congressional candidate are governed by the relevant provisions of United States Code, title 2, chapter 14, as amended through December 31, 1982.

Sec. 7. Minnesota Statutes 1982, section 10A.275, is amended to read:

10A.275 [MULTI-CANDIDATE POLITICAL PARTY EXPENDITURES.]

Subdivision 1. [APPLICABILITY TO CANDIDATES.] Notwithstanding any other provisions of (LAWS 1978, CHAPTER 463) this chapter, the following expenditures by a state political party or a substate unit of a state political party as described in section 10A.27, subdivision 4, shall not be considered contributions to or expenditures on behalf of any candidate for the purposes of section 10A.25 or 10A.27, and shall not be allocated to any candidates pursuant to section 10A.22, subdivision 5:

(a) Expenditures on behalf of candidates of that party generally without referring to any of them specifically in any advertisement published, posted or broadcast;

(b) Expenditures for the preparation, display, mailing or other distribution of an official party sample ballot listing the names of three or more individuals whose names are to appear on the ballot;

(c) Expenditures for any telephone conversation including the names of three or more individuals whose names are to appear on the ballot; or

(d) Expenditures for any political party fundraising effort on behalf of three or more candidates.

Subd 2. [APPLICABILITY TO CONGRESSIONAL CANDIDATES.] Expenditures of the type listed in clauses (a) to (d) in subdivision 1 are governed by the relevant provisions of United States Code, title 2, section 431, paragraph (9), as amended through December 31, 1982.

Sec. 8. Minnesota Statutes 1982, section 10A.28, is amended to read:

10A.28 [PENALTY FOR EXCEEDING EXPENDITURE AND CONTRIBUTION LIMITS.]

Subdivision 1. [CANDIDATES EXCEEDING EXPENDITURE LIMITS.] A candidate subject to the expenditure limits (OF) set forth in section 10A.25 who permits his principal campaign committee to make expenditures or permits approved expenditures to be made on his behalf in excess of the limits imposed by section 10A.25, as adjusted by section 10A.255, (SHALL BE) is subject to a civil fine up to four times the amount which the expenditures exceeded the limit.

Subd. 1a. [CONGRESSIONAL CANDIDATES EXCEEDING EXPENDITURE LIMITS.] A congressional candidate subject to the expenditure limits set forth in section 10A.25 who permits his authorized committees to make aggregate expenditures to be made on his behalf in excess of the limits exposed by section 10A.25, as adjusted by section 10A.255, is subject to a civil fine up to four times the amount which the expenditures exceed the limit.

Subd. 2. [CONTRIBUTION LIMITS EXCEEDED WITH RESPECT TO CANDIDATES.] A candidate who permits his principal campaign committee to accept contributions in excess of the limits imposed by section 10A.27 (SHALL BE) is subject to a civil fine of up to four times the amount by which the contribution exceeded the limits.

Subd. 2a. [CONTRIBUTION LIMITS EXCEEDED WITH RESPECT TO CONGRESSIONAL CANDIDATES.] A congressional candidate who permits his authorized committees to accept contributions in excess of the limits imposed under United States Code, title 2, chapter 14, as amended through December 31, 1982, is subject to the penalties imposed by United States Code, title 2, section 437g, as amended through December 31, 1982.

Subd. 3. [CONCILIATION AGREEMENTS.] If the board finds that there is reason to believe that excess expenditures have been made or excess contributions accepted contrary to the provisions of subdivision 1, *1a*, or 2 the board shall make every effort for a period of not less than 14 days after its finding to correct the matter by informal methods of conference and conciliation and to enter a conciliation agreement with the person involved. A conciliation agreement made pursuant to this subdivision shall be a matter of public record. Unless violated, a conciliation agreement shall be a bar to any civil proceeding under subdivision 4.

Subd. 4. [CIVIL ACTION.] If the board is unable after a reasonable time to correct by informal methods any matter which constitutes probable cause to believe that excess expenditures have been made or excess contributions accepted contrary to subdivision 1, *1a*, or 2, the board shall make a public finding of probable cause in the matter. After making a public finding, the board shall bring an action, or transmit the finding to a county attorney who shall bring an action (, IN THE DISTRICT COURT OF RAMSEY COUNTY OR, IN THE CASE OF A LEGISLATIVE CANDIDATE, THE DISTRICT COURT OF A COUNTY WITHIN THE LEGISLATIVE DISTRICT,) to impose a civil fine as prescribed by the board pursuant to subdivision 1, *1a*, or 2. *An action filed against a congressional candidate for United States senator or against a candidate for state constitutional office shall be brought in the district court of Ramsey County. An action filed against a candidate for state legislative office shall be brought in the district court of a county within the candidate's legislative district. An action filed against a congressional candidate for representative in congress shall be brought in the district court of a county within the congressional candidate's congressional district. All moneys recovered pursuant to this section shall be deposited in the general fund of the state.*

Sec. 9. Minnesota Statutes 1982, section 10A.30, is amended to read:

10A.30 [STATE ELECTIONS CAMPAIGN FUND.]

Subdivision 1. [STATE ELECTIONS CAMPAIGN FUND ESTABLISHED.] There is hereby established an account within the special revenue fund of the state to be known as the "state elections campaign fund".

Subd. 2. [SEPARATE ACCOUNTS.] Within the state elections campaign fund account there shall be maintained a separate *political party* account for the candidates *and congressional candidates* of each political party and a general account.

Sec. 10. Minnesota Statutes 1982, section 10A.31, is amended to read:

10A.31 [DESIGNATION OF INCOME TAX PAYMENTS;
ALLOCATION AND DISTRIBUTION OF FUNDS.]

Subdivision 1. [AMOUNTS DESIGNATED.] Every individual resident of Minnesota who files a tax return or a renter and homeowner property tax refund return with the commissioner of revenue may designate that (\$2) \$4 (SHALL) be paid from the general fund of the state into the state elections campaign fund. If a husband and wife file a joint return, each spouse may designate that (\$2) \$4 (SHALL) be paid. An individual who is 18 years of age or older, who is a resident of Minnesota, and who is a dependent of another individual who files a tax return or a renter and homeowner property tax refund return, may designate that (\$2) \$4 (SHALL) be paid from the general fund of the state into the state elections campaign fund. No individual (SHALL BE) is allowed to designate (\$2) that \$4 be paid more than once in any year.

Subd. 2. [ACCOUNT DESIGNATION AND SEGREGATION.] The taxpayer may designate that the (\$1) \$4 be paid into the party account of a political party or into the general account. *If the taxpayer does so, the \$4 shall be segregated within that account for allocation and distribution as follows:*

(1) \$2 for allocation to candidate offices according to the allocations set forth in subdivision 5, paragraph (a), and for distribution to candidates according to the formula, if applicable, set forth in subdivision 5a and as provided under subdivision 6; and

(2) \$2 for allocation to congressional candidate offices according to the allocations set forth in subdivision 5, paragraph (b), and for distribution to congressional candidates according to the formula, if applicable, developed under subdivision 5b and as provided under subdivision 6.

Subd. 3. [CONTENTS OF TAX FORMS.] The commissioner of (THE DEPARTMENT OF) revenue shall provide on the first page of the income tax form and the renter and homeowner property tax refund return a space for the filing individual, and any adult dependent of that individual, to indicate whether or not he wishes to allocate (\$2) \$4 (((\$4) \$8 if filing a joint return) from the general fund of the state to finance the election campaigns of (STATE) candidates and congressional candidates. The form shall also contain language prepared by the commissioner which permits the individual to direct the state to allocate the (\$2) \$4 (or (\$4) \$8 if filing a joint return) to: (i) one of the major political parties; (ii) any minor political party as defined in section 10A.01, subdivision 13, which qualifies under the provisions of subdivision 3a; or (iii) all qualifying candidates as provided by subdivision 7. The dependent on the tax return or the renter and homeowner property tax refund return shall sign a statement which authorizes the designation of

(§2) §4. The renter and homeowner property tax refund return shall include instructions that the individual filing the return may designate (§2) §4 on the return only if he has not designated (§2) §4 on the income tax return.

Subd. 3a. [QUALIFICATION OF MINOR POLITICAL PARTY.] A minor political party as defined in section 10A.01, subdivision 13, qualifies for inclusion on the income tax form as provided in subdivision 3, provided that if a petition is filed, it is filed by June 1 of the taxable year.

Subd. 4. [ANNUAL APPROPRIATION.] The amounts designated by individuals for the state elections campaign fund are appropriated from the general fund and shall be credited to the appropriate account in the state elections campaign fund and annually appropriated for *allocation and* distribution as set forth in subdivisions 5, 5a, 6 and 7.

Subd. 5. [ALLOCATION OF ACCOUNTS.] (a) *Candidates.* In each calendar year the (MONEYS) *money* in each party account and the general account *which has been segregated under subdivision 2 for allocation to candidate offices* shall be allocated (TO CANDIDATES) as follows:

(1) 21 percent for the offices of governor and lieutenant governor together;

(2) 3.6 percent for the office of attorney general;

(3) 1.8 percent each for the offices of secretary of state, state auditor and state treasurer;

(4) In each calendar year during the period in which state senators serve a four year term, 23-1/3 percent for the office of state senator and 46-2/3 percent for the office of state representative;

(5) In each calendar year during the period in which state senators serve a two year term, 35 percent each for the offices of state senator and state representative;

((6) TO ASSURE THAT MONEYS WILL BE RETURNED TO THE COUNTIES FROM WHICH THEY WERE COLLECTED, AND TO ASSURE THAT THE DISTRIBUTION OF THOSE MONEYS RATIONALLY RELATES TO THE SUPPORT FOR PARTICULAR PARTIES OR FOR PARTICULAR CANDIDATES WITHIN LEGISLATIVE DISTRICTS, MONEYS FROM THE PARTY ACCOUNTS FOR LEGISLATIVE CANDIDATES SHALL BE DISTRIBUTED AS FOLLOWS:)

(EACH CANDIDATE FOR THE STATE SENATE AND STATE HOUSE OF REPRESENTATIVES WHOSE NAME IS TO APPEAR ON THE BALLOT IN THE GENERAL ELECTION SHALL RECEIVE MONEYS FROM HIS PARTY ACCOUNT SET ASIDE FOR CANDIDATES OF THE STATE SENATE OR STATE HOUSE OF REPRESENTATIVES, WHICHEVER APPLIES, ACCORDING TO THE FOLLOWING FORMULA;)

(FOR EACH COUNTY WITHIN HIS DISTRICT THE CANDIDATE'S SHARE OF THE DOLLARS ALLOCATED IN THAT COUNTY TO HIS PARTY ACCOUNT AND SET ASIDE FOR THAT OFFICE SHALL BE:)

((A) THE SUM OF THE VOTES CAST IN THE LAST GENERAL ELECTION IN THAT PART OF THE COUNTY IN HIS DISTRICT FOR ALL CANDIDATES OF HIS PARTY (I) WHOSE NAMES APPEARED ON THE BALLOT IN EACH VOTING PRECINCT OF THE STATE AND (II) FOR THE STATE SENATE AND STATE HOUSE OF REPRESENTATIVES, DIVIDED BY)

((B) THE SUM OF THE VOTES CAST IN THAT COUNTY IN THE LAST GENERAL ELECTION FOR ALL CANDIDATES OF HIS PARTY (I) WHOSE NAMES APPEARED ON THE BALLOT IN EACH VOTING PRECINCT IN THE STATE AND (II) FOR THE STATE SENATE AND STATE HOUSE OF REPRESENTATIVES, MULTIPLIED BY)

((C) THE AMOUNT IN HIS PARTY ACCOUNT ALLOCATED IN THAT COUNTY AND SET ASIDE FOR THE CANDIDATES FOR THE OFFICE FOR WHICH HE IS A CANDIDATE.)

(THE SUM OF ALL THE COUNTY SHARES CALCULATED IN THE FORMULA ABOVE IS THE CANDIDATE'S SHARE OF HIS PARTY ACCOUNT.)

(IN A YEAR IN WHICH AN ELECTION FOR THE STATE SENATE OCCURS, WITH RESPECT TO VOTES FOR CANDIDATES FOR THE STATE SENATE ONLY, "LAST GENERAL ELECTION" MEANS THE LAST GENERAL ELECTION IN WHICH AN ELECTION FOR THE STATE SENATE OCCURRED.)

(FOR ANY PARTY UNDER WHOSE NAME NO CANDIDATE'S NAME APPEARED ON THE BALLOT IN EACH VOTING PRECINCT IN THE STATE IN THE LAST GENERAL ELECTION, "LAST GENERAL ELECTION" MEANS THE LAST GENERAL ELECTION IN WHICH THE NAME OF A CANDIDATE OF THAT PARTY APPEARED ON THE BALLOT IN EACH VOTING PRECINCT IN THE STATE.)

(IN A YEAR IN WHICH THE FIRST ELECTION AFTER A LEGISLATIVE REAPPORTIONMENT IS HELD, "HIS DISTRICT" MEANS THE NEWLY DRAWN DISTRICT, AND VOTING DATA FROM THE LAST GENERAL ELECTION WILL BE APPLIED TO THE AREA ENCOMPASSING THE NEWLY DRAWN DISTRICT NOTWITHSTANDING THAT THE AREA WAS IN A DIFFERENT DISTRICT IN THE LAST GENERAL ELECTION.)

(IF IN A DISTRICT THERE WAS NO CANDIDATE OF A PARTY FOR THE STATE SENATE OR STATE HOUSE OF REPRESENTATIVES IN THE LAST GENERAL ELECTION, OR IF A CANDIDATE FOR THE STATE SENATE OR STATE HOUSE OF REPRESENTATIVES WAS UNOPPOSED, THE VOTE FOR THAT OFFICE FOR THAT PARTY SHALL BE THE AVERAGE VOTE OF ALL THE REMAINING CANDIDATES OF THAT PARTY IN EACH COUNTY OF THAT DISTRICT WHOSE VOTES ARE INCLUDED IN THE SUMS IN CLAUSES (A) AND (B). THE AVERAGE VOTE SHALL BE ADDED TO THE SUMS IN CLAUSES (A) AND (B) BEFORE THE CALCULATION IS MADE FOR ALL DISTRICTS IN THE COUNTY.)

(MONEY FROM A PARTY ACCOUNT NOT DISTRIBUTED TO CANDIDATES FOR STATE SENATOR AND REPRESENTATIVE IN ANY ELECTION YEAR SHALL BE RETURNED TO THE GENERAL FUND OF THE STATE. MONEY FROM A PARTY ACCOUNT NOT DISTRIBUTED TO CANDIDATES FOR OTHER OFFICES IN AN ELECTION YEAR SHALL BE RETURNED TO THE PARTY ACCOUNT FOR REALLOCATION TO CANDIDATES AS PROVIDED IN CLAUSES (1) TO (6) OF THIS SUBDIVISION IN THE FOLLOWING YEAR. MONEYS FROM THE GENERAL ACCOUNT REFUSED BY ANY CANDIDATE SHALL BE DISTRIBUTED TO ALL OTHER QUALIFYING CANDIDATES IN PROPORTION TO THEIR SHARES AS PROVIDED IN THIS SUBDIVISION.)

(b) Congressional candidates. In each calendar year the money in each party account and the general account which has been segregated under subdivision 2 for allocation to congressional candidate offices shall be allocated as follows:

- (1) 33-1/3 percent for the office of United States senator;*
- (2) 66-2/3 percent for the offices of representative in congress.*

Subd. 5a. [FORMULA FOR DISTRIBUTION TO LEGISLATIVE CANDIDATES.] (a) To assure that moneys will be returned to the counties from which they were collected, and to assure that the distribution of those moneys rationally relates to the support for particular parties or for particular candi-

dates within legislative districts, moneys from the party accounts for legislative candidates shall be distributed as follows:

Each candidate for the state senate and state house of representatives whose name is to appear on the ballot in the general election shall receive moneys from his party account set aside for candidates of the state senate or state house of representatives, whichever applies, according to the following formula;

For each county within his district the candidate's share of the dollars allocated in that county to his party account and set aside for that office shall be:

(1) The sum of the votes cast in the last general election in that part of the county in his district for all candidates of his party (i) whose names appeared on the ballot in each voting precinct of the state and (ii) for the state senate and state house of representatives, divided by

(2) The sum of the votes cast in that county in the last general election for all candidates of his party (i) whose names appeared on the ballot in each voting precinct in the state and (ii) for the state senate and state house of representatives, multiplied by

(3) The amount in his party account allocated in that county and set aside for the candidates for the office for which he is a candidate.

The sum of all the county shares calculated in the formula above is the candidate's share of his party account.

(b) With respect to the formula set forth in paragraph (a), the terms "last general election" and "his district" have the following meanings:

(1) In a year in which an election for the state senate occurs, with respect to votes for candidates for the state senate only, "last general election" means the last general election in which an election for the state senate occurred.

(2) For any party under whose name no candidate's name appeared on the ballot in each voting precinct in the state in the last general election, "last general election" means the last general election in which the name of a candidate of that party appeared on the ballot in each voting precinct in the state.

(3) In a year in which the first election after a legislative reapportionment is held, "his district" means the newly drawn district, and voting data from the last general election will be applied to the area encompassing the newly drawn district not-

withstanding that the area was in a different district in the last general election.

(c) If in a district there was no candidate of a party for the state senate or state house of representatives in the last general election, or if a candidate for the state senate or state house of representatives was unopposed, the vote for that office for that party shall be the average vote of all the remaining candidates of that party in each county of that district whose votes are included in the sums in clauses (1) and (2) of paragraph (a). The average vote shall be added to the sums in clauses (1) and (2) of paragraph (a) before the calculation is made for all districts in the county.

Subd. 5b. [FORMULA FOR DISTRIBUTION TO CONGRESSIONAL CANDIDATES.] The commissioner of revenue shall develop a formula for distribution of money to congressional candidates from the state elections campaign fund to assure that money will be returned to the counties from which it was collected, and to assure that the distribution of money rationally relates to the support for particular parties or for particular congressional candidates within congressional districts. Money distributed to congressional candidates from the state elections campaign fund shall be distributed according to the formula developed.

Subd. 5c. [UNDISTRIBUTED MONEYS.] Money in a party account not distributed in any election year to candidates for state senator and representative and congressional candidates for the office of representative in congress shall be returned to the general fund of the state. Money in a party account not distributed in any election year to candidates for other offices or congressional candidates for the office of United States senator shall be retained in the party account but shall be reallocated in the following year to all of the candidate offices and congressional candidate offices as provided under subdivision 5. Money in the general account refused in any election year by a candidate or congressional candidate shall be distributed in that year as provided in subdivision 7 to all other qualifying candidates and congressional candidates in proportion to their shares as determined from the allocations and formulas set forth in subdivisions 5, 5a, and 5b.

Subd. 6. [DISTRIBUTION OF FUNDS AFTER PRIMARY ELECTION.] Within two weeks after certification by the state canvassing board of the results of the primary, the state treasurer shall distribute the available funds in each party account, as certified by the commissioner of revenue on September 15, to the candidates and congressional candidates of that party who have signed (THE) an agreement, as provided in section (10A.-32. SUBDIVISION 3) 12, and whose names are to appear on the ballot in the general election, according to the allocations and

formulas set forth in (SUBDIVISION) *subdivisions 5, 5a, and 5b.*

Subd. 7. [DISTRIBUTION OF FUNDS AFTER GENERAL ELECTION.] Within two weeks after certification by the state canvassing board of the results of the general election, the state treasurer shall distribute the available funds in the general account, as certified by the commissioner of revenue on November 15 and according to allocations *and formulas* set forth in (SUBDIVISION) *subdivisions 5, 5a, and 5b*, in equal amounts to all candidates for each (STATEWIDE) *state constitutional office and to all congressional candidates for the office of United States senator* who received at least five percent of the votes cast in the general election for that office, and to all candidates for *state legislative office and for the office of representative in congress* who received at least ten percent of the votes cast in the general election for the specific office for which they were candidates *or congressional candidates*. The board shall not use the information contained in the report of the principal campaign committee of any candidate due ten days before the general election for the purpose of reducing the amount due that candidate from the general account.

Subd. 8. [CERTIFICATION OF AMOUNTS AFTER PRIMARY.] Within one week after certification by the state canvassing board of the results of the primary, the board shall certify to the state treasurer the name of each candidate *and congressional candidate* who has signed (THE) *an agreement*, as provided in section (10A.32, SUBDIVISION 3) *12*, and the amount he is to receive from the available funds in his party account.

Subd. 9. [CERTIFICATION OF AMOUNTS AFTER GENERAL ELECTION.] Within one week after certification by the state canvassing board of the results of the general election, the board shall certify to the state treasurer the name of each candidate *and congressional candidate* who is qualified to receive funds from the general account, together with the amount he is to receive from the available funds in the general account.

Subd. 10. [CERTIFICATION OF AMOUNTS ACCUMULATED SINCE PREVIOUS CERTIFICATION.] In the event that on the date of either certification by the commissioner of revenue as provided in subdivisions 6 and 7, less than 98 percent of the tax returns have been processed, the commissioner of revenue shall certify to the board on December 7 the amount accumulated in each account since the previous certification. Within one week thereafter, the board shall certify to the state treasurer the amount to be distributed to each candidate *and congressional candidate* according to the allocations (AS PROVIDED) *and formulas* set forth in (SUBDIVISION) *subdivisions 5, 5a, and 5b*. As soon as practicable thereafter, the state treasurer shall distribute the amounts to the candidates *and con-*

gressional candidates. Any moneys accumulated after the final certification shall be maintained in the respective accounts for distribution in the next general election year.

Subd. 11. [WRITE-IN CANDIDATES.] For the purposes of this section, a write-in candidate or congressional candidate is not a candidate or congressional candidate unless he complies with the provisions of section (10A.32, SUBDIVISION 3) 12.

Sec. 11. [10A.321] [ESTIMATES OF MINIMUM AMOUNTS TO BE RECEIVED.]

Subdivision 1. [CALCULATION AND CERTIFICATION OF ESTIMATES.] The commissioner of revenue shall calculate and certify to the board before the first day of July in an election year his estimate of (1) the total amount in the general account of the state elections campaign fund, and (2) the amount of money each candidate and congressional candidate who qualifies, as provided in section 10A.31, subdivisions 6 and 7, may receive from his party account in the state elections campaign fund. This estimate shall be based upon the allocations and formulas set forth in section 10A.31, subdivisions 5, 5a, and 5b, any necessary vote totals provided by the secretary of state for the purpose of applying the formulas set forth in section 10A.31, subdivisions 5 and 5b, and the amount of moneys expected to be available after 100 percent of the tax returns have been processed.

Subd. 2. [PUBLICATION, CERTIFICATION, AND NOTIFICATION PROCEDURES.] Prior to the first day of filing for office, the board shall publish and forward to all filing officers the estimates calculated and certified under subdivision 1. Within seven days after the last day for filing for office, the secretary of state shall certify to the board the name, address, office sought, and party affiliation of each candidate and congressional candidate who has filed with that office his affidavit of candidacy or petition to appear on the ballot. The auditor of each county shall certify to the board the same information for each candidate and congressional candidate who has filed with that county his affidavit of candidacy or petition to appear on the ballot. Within seven days thereafter, the board shall estimate the minimum amount to be received by each candidate and congressional candidate who qualifies, as provided in section 10A.31, subdivisions 6 and 7, and notify on or before August 15 all candidates and congressional candidates of the applicable amount. The board shall include with the notice a form for the agreement provided in section 12.

Sec. 12. [10A.322.] [SIGNED AGREEMENT AS CONDITION OF RECEIVING PUBLIC SUBSIDY IN FORM OF ALLOCATION FROM CAMPAIGN FUND.]

Subdivision 1. [SIGNED AGREEMENT BY CANDIDATE.] As a condition of receiving money from the state elections campaign fund, a candidate shall sign a written agreement with the board in which he agrees to the following:

(a) The aggregate of (i) expenditures made by the principal campaign committee of the candidate and (ii) approved expenditures made on behalf of the candidate may not exceed the expenditure limits set forth under section 10A.25, as adjusted by section 10A.255; and

(b) The aggregate of (i) contributions accepted by the principal campaign committee of the candidate and (ii) approved expenditures made on behalf of the candidate for the period beginning with January 1 of the election year or with the registration of the candidate's principal campaign committee, whichever occurs later, and ending December 31 of the election year may not exceed the difference between the expenditure limits for the office held or sought, as provided under section 10A.25 and as adjusted by section 10A.255, and the amount which the candidate receives from the state elections campaign fund.

Subd. 2. [SIGNED AGREEMENT BY CONGRESSIONAL CANDIDATES.] As a condition of receiving money from the state elections campaign fund, a congressional candidate shall sign a written agreement with the board in which he agrees to the following:

(a) The aggregate of expenditures made by the authorized committees of the congressional candidate may not exceed the expenditure limits set forth under section 10A.25, as adjusted by section 10A.255; and

(b) The aggregate of contributions accepted by the authorized committees of the congressional candidate for the period beginning with January 1 of the election year or with the registration of the congressional candidate's principal campaign committee and any other authorized committees, whichever occurs later, and ending December 31 of the election year may not exceed the difference between the expenditure limits for the office held or sought, as provided under section 10A.25 and as adjusted by section 10A.255, and the amount which the congressional candidate receives from the state elections campaign fund.

Subd. 3. [SUBMISSION OF AGREEMENT.] Prior to the first day of filing for office, the board shall forward agreement forms to all filing officers. The candidate or congressional candidate may sign an agreement and submit it to the filing officer on the day he files his affidavit of candidacy or petition to appear on the ballot. If he does so, the filing officer shall without delay forward signed agreements to the board. Alternatively, the candidate or congressional candidate may submit the agree-

ment directly to the board no later than September 1. An agreement may not be rescinded after September 1.

Subd. 4. [HOW LONG AGREEMENT IS EFFECTIVE.] (a) The agreement, insofar as it relates to the expenditure limits set forth in section 10A.25, as adjusted by section 10A.255, remains effective until the dissolution of the principal campaign committee of the candidate or the opening of filing for the next succeeding election to the office held or sought at the time of agreement, whichever occurs first.

(b) The agreement, insofar as it relates to the expenditure limits set forth in section 10A.25, as adjusted by section 10A.255, remains effective until the termination of the authorized committees of the congressional candidate, as provided under United States Code, title 2, section 433 (d), as amended through December 31, 1982, or the opening of filing for the next succeeding election to the office held or sought at the time of agreement, whichever occurs first.

Subd. 5. [AGREEMENT NOT VIOLATED.] For the purposes of this section only, the total amount to be distributed to each candidate and congressional candidate is calculated to be his share for the office held or sought of the total amount estimated to be in his party account and the general account of the state elections campaign, as estimated under section 11, divided by the number of candidates or congressional candidates whose names are to appear on the general election ballot for that office. If for any reason the amount actually received by the candidate or congressional candidate is greater than his share of the estimate, and his contributions thereby exceed the difference, the agreement shall not be considered violated.

Sec. 13. [10A.323] [RETURN OF PUBLIC SUBSIDY.]

Subdivision 1. [WHEN RETURN REQUIRED; CANDIDATES.] (a) A candidate shall return all or a portion of the public subsidy received from the state elections campaign fund under the following circumstances:

(1) To the extent that the amount of public subsidy received by the candidate exceeds the expenditure limits for the office held or sought, as provided under section 10A.25 and as adjusted by section 10A.255, the treasurer of the candidate's principal campaign committee shall return the excess to the board;

(2) To the extent that the amount of public subsidy received exceeds the aggregate of (i) actual expenditures made by the principal campaign committee of the candidate and (ii) approved expenditures made on behalf of the candidate, the treasurer of the candidate's principal campaign committee shall return an amount equal to the difference to the board; and

(3) To the extent that the aggregate of (i) contributions accepted by the principal campaign committee of the candidate and (ii) approved expenditures made on behalf of the candidate exceeds the difference between the expenditure limits for the office held or sought, as provided under section 10A.25 and as adjusted by section 10A.255, and the amount which the candidate receives from the state elections campaign fund, the treasurer of the candidate's principal campaign committee shall return an amount equal to the difference to the board.

(b) For purposes of calculating the amount of public subsidy required to be returned to the board, if any, under paragraph (a), clause (3), the following shall apply:

(1) The amount of money in the account of the principal campaign committee of a candidate on January 1 of the election year for the office held or sought shall be considered contributions accepted by that candidate in that year; and

(2) The aggregate of (i) contributions accepted by the principal campaign committee of the candidate and (ii) approved expenditures made on behalf of the candidate shall be reduced by the amount, if any, of noncampaign disbursements and contributions and expenditures to promote or defeat a ballot question made by the candidate in an election year.

Subd. 2. [WHEN RETURN REQUIRED; CONGRESSIONAL CANDIDATES.]

(a) A congressional candidate shall return all or a portion of the public subsidy received from the state elections campaign fund under the following circumstances:

(1) To the extent that the amount of public subsidy received by the congressional candidate exceeds the expenditure limits for the office held or sought, as provided under section 10A.25 and as adjusted by section 10A.255, the treasurer of the congressional candidate's principal campaign committee shall return the excess to the board;

(2) To the extent that the amount of public subsidy received exceeds the aggregate of actual expenditures made by the authorized committees of the congressional candidate, the treasurer of the congressional candidate's principal campaign committee shall return an amount equal to the difference to the board; and

(3) To the extent that the aggregate of contributions accepted by the authorized committees of the congressional candidate exceeds the difference between the expenditure limits for the office held or sought, as provided under section 10A.25 and as adjusted by section 10A.255, and the amount which the congressional candidate receives from the state elections campaign

fund, the treasurer of the congressional candidate's principal campaign committee shall return an amount equal to the difference to the board.

(b) For the purpose of calculating the amount of public subsidy required to be returned to the board, if any, under paragraph (a), clause (3), the amount of money in the accounts of the authorized committees of a congressional candidate on January 1 of the election year for the office held or sought shall be considered contributions accepted by that congressional candidate in that year.

Subd. 3. [HOW RETURN DETERMINED.] Whether or not a candidate or congressional candidate is required to return all or a portion of the public subsidy received from the state elections campaign fund, as provided under subdivisions 1 and 2, shall be determined from the report required to be filed with the board by that candidate or congressional candidate on or before January 31 of the year following an election. Any amount required to be returned shall be submitted in the form of a check or money order and shall accompany the report filed with the board. The board shall forward the check or money order to the state treasurer for deposit into the general fund. In no case shall the amount returned exceed the amount of public subsidy received by the candidate or congressional candidate from the state elections campaign fund.

Sec. 14. [10A.324] [POLITICAL PARTY NOT HAVING CERTAIN CANDIDATES OR CONGRESSIONAL CANDIDATES.]

If a political party for whose candidates or congressional candidates funds have been accumulated in the state elections campaign fund does not have a candidate at a general election for the office of state senator or state representative or a congressional candidate for the office of representative in congress, the party account money allocated for that office shall be returned to the general fund of the state. If that party does not have a candidate at a general election for any state constitutional office or a congressional candidate for the office of United States senator, the party account money allocated for that office shall be transferred to the general account of the state elections campaign fund for reallocation to all of the candidate offices and congressional candidate offices as provided in section 10A.31, subdivision 5, and for distribution in that election year to candidates and congressional candidates as provided in section 10A.31, subdivision 7.

Sec. 15. Minnesota Statutes 1982, section 10A.33, is amended to read:

10A.33 [APPLICATION.]

The provisions of sections 10A.30 to 10A.32 and sections 11 to 14 shall apply only in general elections and primaries preceding general elections and shall not apply to special elections or special primaries.

Sec. 16. Minnesota Statutes 1982, section 10A.335, is amended to read:

10A.335 [LEGISLATIVE MONITORING OF TAX CHECK-OFF.]

For the purpose of determining whether the distribution (FORMULA) *formulas* provided in section 10A.31, (SUBDIVISION 5) *subdivisions 5a and 5b*, (a) (ASSURES) *assure* that (MONEYS) *money* will be returned to the counties from which they were collected, and (b) (CONTINUES) *continue* to have a rational relation to the support for particular parties or particular candidates within legislative districts or congressional candidates within congressional districts, it is the intention of this section that future legislatures monitor, using statistical data provided by the department of revenue, income tax returns and renter and homeowner property tax refund returns on which (\$1) \$4, or in the case of a joint return, (\$2) \$8, is designated for a political party.

Sec. 17. [10A.338] [SIGNED AGREEMENT AS CONDITION OF RECEIVING PUBLIC SUBSIDY IN FORM OF TAX CREDITS.]

Subdivision 1. [SIGNED AGREEMENT BY CANDIDATE.] As a condition of receiving a public subsidy for his election campaign in the form of tax credits against the tax due from individuals who contribute to his principal campaign committee, a candidate shall sign a written agreement with the board that his expenditures and approved expenditures shall not exceed the expenditure limits set forth in section 10A.25, as adjusted by section 10A.255.

Subd. 2. [SIGNED AGREEMENT BY CONGRESSIONAL CANDIDATE.] As a condition of receiving a public subsidy for his election campaign in the form of tax credits against the tax due from individuals who contribute to any of his authorized committees, a congressional candidate must sign a written agreement with the board that his expenditures will not exceed the expenditure limits set forth in section 10A.25, as adjusted by section 10A.255.

Subd. 3. [SUBMISSION OF AGREEMENT.] (a) A candidate may submit his signed agreement to the board at any time beginning with or following the registration of his principal campaign committee.

(b) A congressional candidate may submit his signed agreement to the board at any time beginning with or following the registration of any of his authorized committees.

Subd. 4. [HOW LONG AGREEMENT IS EFFECTIVE.]

(a) A candidate's agreement remains effective until the dissolution of the principal campaign committee of the candidate or the opening of filing for the next succeeding election for the office held or sought at the time of agreement, whichever occurs first. An agreement signed under this subdivision may not be rescinded.

(b) A congressional candidate's agreement remains effective until the termination of the authorized committees of the congressional candidate, as provided under United States Code, title 2, section 433(d), as amended through December 31, 1982, or the opening of filing for the next succeeding election to the office held or sought at the time of the agreement, whichever occurs first. An agreement signed under this subdivision may not be rescinded.

Subd. 5. [TAX CREDIT NOT ALLOWED.] The commissioner of revenue shall not allow any individual or married couple filing jointly to take a credit against any tax due, as provided under section 290.06, subdivision 11, for any contribution to a candidate for legislative or state constitutional office or congressional candidate for representative in congress or United States senator who has not signed the agreement provided in this subdivision.

Subd. 6. [CAMPAIGN EXPENDITURES NOT LIMITED; CONSTRUCTION.] Nothing in this subdivision shall be construed to limit the campaign expenditure of any candidate or congressional candidate who does not sign an agreement under this subdivision but accepts a contribution for which the contributor claims a credit against tax due.

Subd. 7. [DUTIES OF BOARD.] The board shall forward a copy of any agreement signed under this subdivision to the commissioner of revenue. The board shall make available to any candidate or congressional candidate signing an agreement a supply of official tax credit receipt forms which state in bold face type that (a) a contributor who is given a receipt form is eligible to receive a credit against his tax due in an amount equal to 50 percent of his contribution but not more than \$50 for an individual, or not more than \$100 for a married couple filing jointly, and (b) the candidate or congressional candidate to whom he has contributed has voluntarily agreed to abide by campaign expenditure limits.

Subd. 8. [PENALTY.] If a candidate or congressional candidate does not sign an agreement under this subdivision he may

not issue an official tax credit receipt form, or any facsimile thereof, to any of his contributors. Any candidate or congressional candidate who does not voluntarily agree to abide by the expenditure limits imposed in section 10A.25, as adjusted by section 10A.255, and who willfully issues official tax credit receipt forms, or any facsimile thereof, to any contributor is guilty of a misdemeanor.

Sec. 18. Minnesota Statutes 1982, section 290.06, subdivision 11, is amended to read:

Subd. 11. [CONTRIBUTIONS TO POLITICAL PARTIES AND CANDIDATES.] In lieu of the deduction provided by section 290.21, subdivision 3, clause (e), a taxpayer may take a credit against the tax due under this chapter of 50 percent of his contributions to candidates for elective state, *local*, or federal public office and to any political party. The maximum credit for an individual shall not exceed \$50 and, for a married couple filing jointly or filing a combined return, shall not exceed \$100. No credit shall be allowed under this subdivision for a contribution to any candidate, other than a candidate for elective judicial office (OR FEDERAL OFFICE) or *local officer*, who has not signed an agreement to limit his campaign expenditures as provided in section (10A.32, SUBDIVISION 3B) 17. For purposes of this subdivision, a political party means a major political party as defined in section 200.02, subdivision 7.

This credit shall be allowed only if the contribution is verified in the manner the commissioner of revenue shall prescribe.

Sec. 19. [REPEALER.]

Minnesota Statutes 1982, section 10A.32 is repealed.

Sec. 20. [EFFECTIVE DATE.]

Sections 1 to 19 are effective on the day following final enactment."

Delete the title and insert:

"A bill for an act relating to elections; limiting campaign expenditures by congressional candidates who choose to receive a public subsidy for their campaigns; redefining certain terms in relation to congressional candidates; limiting the applicability of certain provisions of law to state constitutional and state legislative candidates; providing for filing of campaign reports by certain congressional candidates; proposing expenditure limits for congressional candidates who choose to receive a public subsidy; providing a penalty for exceeding campaign expenditure limits by congressional candidates; changing the designated amount of certain income tax payments; providing for the alloca-

tion of party accounts and the general account to certain state and congressional candidates; providing estimates of minimum amounts of public subsidy to be received by certain congressional candidates; requiring signed agreements by congressional candidates who choose to receive a public subsidy; specifying when congressional candidates who accept a public subsidy must return all or part thereof; providing for the return of money from the state elections campaign fund to the general fund; making certain technical amendments; imposing penalties; amending Minnesota Statutes 1982, sections 10A.01; 10A.25; 10A.255; 10A.27; 10A.275; 10A.28; 10A.30; 10A.31; 10A.33; 10A.335; and 290.06, subdivision 11; proposing new law coded in Minnesota Statutes, chapter 10A; repealing Minnesota Statutes 1982, section 10A.32."

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

The report was adopted.

Norton from the Committee on Governmental Operations to which was referred:

H. F. No. 674, A bill for an act relating to insurance; extending the insurance division revolving fund; providing for a program of continuing education; establishing a continuing insurance education advisory committee; authorizing the commissioner of insurance to promulgate rules to implement the program; requiring certain disclosures on credit insurance policies and application; providing license and renewal fees for agents; increasing fees for insurance companies; regulating self-insurance plans and pools; amending Minnesota Statutes 1982, sections 60A.02, subdivision 7; 60A.03, subdivisions 5 and 6; 60A.17, subdivisions 1 and 6c, and by adding a subdivision; 60A.14, subdivision 1; 60A.198, subdivision 3; 60A.23, subdivision 8; 471.982, subdivision 2; and proposing new law coded in Minnesota Statutes, chapter 60A.

Reported the same back with the following amendments:

Page 6, lines 29 to 31, delete the new language

Pages 7 to 10, delete section 7

Page 10, line 19, delete the colon

Page 10, line 20, delete "(a)"

Page 10, line 21, delete the semicolon and insert a new period

Page 10, delete lines 22 to 30

Page 10, line 32, delete "COMMITTEE" and insert "TASK FORCE"

Page 10, line 32, delete "*There is established*" and insert "*The commissioner of insurance may appoint*"

Page 10, line 33, delete "*committee*" and insert "*task force*"

Page 11, line 2, delete "3" and insert "6"

Page 11, line 13, delete "*committee*" and insert "*task force*"

Page 11, line 17, delete "*committee*" and insert "*task force*"

Page 11, line 18, delete "*committee*" and insert "*task force*"

Page 11, line 22, delete "*Of the*"

Page 11, delete lines 23 to 31

Page 11, line 32, delete "COMMITTEE" and insert "TASK FORCE"

Page 11, line 34, delete "*advisory committee*" and insert "*commissioner*"; delete "*committee*" and insert "*commissioner*"

Page 12, line 1, before "*The*" insert "*If*"; delete "*committee*" and insert "*task force is created, it*"

Page 12, line 7, delete "*committee*" and insert "*task force*"

Page 12, line 9, before "*The*" insert "*If*"; delete "*committee*" and insert "*task force is created, it*"

Page 14, line 29, delete "*issued,*" and delete the second comma

Page 20, delete lines 14 to 18 and insert:

"Sections 1; 2; 7, subdivisions 1 to 7 and 12; 8; 9; and 10; are effective the day following final enactment. Sections 3, 4, and 6, are effective July 1, 1983. Section 7, subdivisions 8 and 9, are effective January 1, 1985. Sections 5 and 7, subdivisions 10 and 11, are effective January 1, 1986."

Renumber the sections in order

Amend the title as follows:

Page 1, line 4, delete "establishing" and insert "authorizing"

Page 1, line 5, delete "committee" and insert "task force".

Page 1, line 13, delete the second "subdivisions" and insert "subdivision" and delete "and 6C,"

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

The report was adopted.

Swanson from the Committee on Health and Welfare to which was referred:

H. F. No. 762, A bill for an act relating to welfare; changing laws relating to child support enforcement; providing for determination of paternity; providing for determination and modification of child support; amending Minnesota Statutes 1982, sections 256.74, by adding a subdivision; 256.87; 257.55, subdivision 1; 257.58; 257.59, subdivision 1; 257.60; 257.64, subdivision 1; 257.66, subdivisions 3 and 4; 257.69, subdivision 2; 518.10; 518.17, by adding a subdivision; 518.551, subdivisions 1, 5, and 6, and by adding subdivisions; 518.611; 518.64, subdivisions 2 and 5, and by adding a subdivision; 518.645; 518B.01, subdivisions 2 and 6; 518C.17, subdivision 1; 518C.33, subdivision 1; and 548.09; proposing new law coded in Minnesota Statutes, chapters 257, 518, and 543; repealing Minnesota Statutes 1982, sections 256.87, subdivision 2; 256.872; 256.873; 256.876; and 518.551, subdivisions 2, 3, and 4.

Reported the same back with the following amendments:

Page 7, line 28, strike ", and if requested by a"

Page 7, line 29, strike "party, shall"

Page 8, line 2, after the semicolon insert "or"

Page 13, line 28, delete "*alimony*" and insert "*maintenance*"

Page 13, line 35, delete "*from*" and insert "*below*"

Page 13, line 36, after "*that*" insert "*so*"

Page 13, line 36, after the period insert "*It may also increase the amount of child support by more than the guidelines without making express findings by agreement of the parties or by making further findings.*"

Page 18, delete section 21

Page 25, line 17, delete "23" and insert "22"

Renumber the remaining sections

Amend the title as follows:

Page 1, line 12, delete “, and by adding a”

Page 1, line 13, delete “subdivision”

With the recommendation that when so amended the bill pass.

The report was adopted.

Vanasek from the Committee on Judiciary to which was referred:

H. F. No. 790, A bill for an act relating to property exempt from attachment, garnishment, or levy of execution; requiring notice to judgment debtors prior to delivery of funds owed to the judgment debtor by any third party to satisfy a creditor's claim; providing for an exemption notice within certain time limits; providing penalties for failure to send the exemption notice; clarification of certain exempt funds; providing for an increase in the amount of household goods exempt; amending Minnesota Statutes 1982, sections 550.041; 550.14; 550.141, by adding a subdivision; 550.37, subdivisions 4, 13, 14, 19, 20, and 24; 571.41, subdivision 5, and by adding subdivisions; and 571.67.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1982, section 550.041, is amended to read:

550.041 [SUMMARY EXECUTION OF (SMALL) JUDGMENT DEBTS.]

Subdivision 1. [COVERAGE.] When a judgment creditor proposes to make execution on a judgment debt (OF NOT MORE THAN \$2,500) from money owed to the judgment debtor by a third party, the execution may be made by the attorney for the judgment creditor or sheriff, *or their agents*, through a registered or certified letter *or by personal service* to the third party containing a copy of the execution. Upon receipt, the third party shall remit as much of the amount due under section 550.04, *but not more than \$5,000*, as his own debt equals to the sheriff or attorney who shall proceed in all other respects like the sheriff making a similar execution. *No more than \$5,000 may be recovered in an execution pursuant to this section.*

Subd. 2. [EXEMPTION NOTICE.] If this section is used to enforce a judgment against a debtor who is a natural person by executing on funds of the judgment debtor held on deposit at any financial institution, the judgment creditor shall serve two copies of an exemption notice with the copy of the execution. The notice shall be substantially in the form set out in section 16. Failure of the judgment creditor to send the exemption notice renders the execution void, and the financial institution shall take no action. However, if this subdivision is being used to execute on funds which have previously been garnished in compliance with section 571.41, the judgment creditor is not required to serve an additional exemption notice. In that event, the execution shall only be effective as to the funds which were subject to the prior garnishment.

Subd. 3. [DUTY OF FINANCIAL INSTITUTION; EXEMPTION; OBJECTION.] Upon receipt of the execution and exemption notices, the financial institution shall attach and bind as much of the amount due under section 550.04 as his own debt equals. Within two business days after receipt of the judgment creditor's letter, the financial institution shall serve upon the judgment debtor two copies of the exemption notice. The exemption notice shall be served by first class mail to the last known address of the judgment debtor. If no claim of exemption is received by the financial institution prior to the expiration of 14 days after the exemption notices are mailed to the judgment debtor, the financial institution shall remit as much of the amount due under section 550.04 as its own debt equals to the sheriff or attorney who shall proceed in all other respects like the sheriff making a similar execution. If the judgment debtor elects to claim an exemption, he shall complete the exemption notice, affix his signature under penalty of perjury, and deliver one copy to the financial institution and one copy to the judgment creditor within 14 days of the date postmarked on the correspondence mailed to the judgment debtor containing the exemption notices. Failure of the judgment debtor to serve the executed exemption notice does not constitute a waiver of any right he may have to an exemption. Upon timely receipt of a claim of exemption, the financial institution shall remit as much of the amount due under section 550.04 as his own debt equals to the sheriff or attorney from funds not claimed to be exempt by the judgment debtor. All money claimed to be exempt shall be released to the judgment debtor upon the expiration of seven days after the date postmarked on the correspondence containing the executed exemption notice mailed to the judgment creditor or the date of personal delivery of the executed exemption notice to the judgment creditor, unless within that time a timely objection to the exemption is interposed by the judgment creditor. Objection is made by mailing or delivering one copy of a written objection to the claim of exemption to the financial institution and one copy of the objection to the judgment debtor. Upon timely receipt of a written objection from the judgment creditor, the financial institution shall retain the funds claimed to be exempt. Unless the third party receives a notice of motion and motion from the

judgment debtor asserting exemption rights within ten days after receipt of the objection, the financial institution shall remit as much of the amount due under section 550.04 as his own debt equals to the sheriff or attorney representing the judgment creditor. Either the judgment creditor or the judgment debtor may bring a motion to determine the validity of an exemption claim by following the procedure set out in section 17. If a notice of motion and motion to determine the validity of a claim of exemption is received by the financial institution within the period provided, it shall retain the funds claimed to be exempt until otherwise ordered by a court. However, at any time during the procedure specified in this subdivision, the judgment debtor or the judgment creditor may, by a writing dated subsequent to the service of the execution, direct the financial institution to release the funds in question to the other party. Upon receipt of a release, the financial institution shall release the funds as directed.

Subd. 4. [SUBSEQUENT PROCEEDINGS; BAD FAITH CLAIMS.] If in subsequent proceedings brought by the judgment debtor or the judgment creditor, the claim of exemption is not upheld, and the court finds that it was asserted in bad faith, the judgment creditor shall be awarded actual damages, costs, and reasonable attorney fees resulting from the additional proceedings, and an amount not to exceed \$100. If the claim of exemption is upheld, and the court finds that the judgment creditor disregarded the claim of exemption in bad faith, the judgment debtor shall be awarded costs, reasonable attorney fees, actual damages, and an amount not to exceed \$100. The underlying judgment shall be modified to reflect assessment of damages, costs, and attorney fees. However, if the party in whose favor a penalty assessment is made is not actually indebted to his attorney for fees, the attorney's fee award shall be made directly to the attorney and an appropriate judgment in favor of the attorney shall be entered. Upon motion of any party in interest, on notice, the court shall determine the validity of any claim of exemption and may make any order necessary to protect the rights of those interested. No financial institution shall be liable for damages for complying with this section. Both copies of an exemption claim or an objection to an exemption claim shall be mailed or delivered on the same date. The financial institution may rely on the date of mailing or delivery of a notice to it in computing any time periods in this section.

Subd. 5. [COSTS; SATISFACTION.] The attorney shall be allowed no costs from any party other than the judgment creditor for execution in accordance with this section. The attorney making (SUCH) the execution shall endorse (THEREON) on it partial satisfaction by amount or the total satisfaction and return the original execution to the clerk of that court for filing without charge.

Sec. 2. Minnesota Statutes 1982, section 550.14, is amended to read:

550.14 [LEVY ON OTHER PERSONAL PROPERTY.]

Subdivision 1. [PROPERTY COVERED.] Other personal property shall be levied on by leaving a certified copy of the execution, and a notice specifying the property levied on, with the person holding (THE SAME) it; or, if a debt, with the debtor; or, if stock or an interest in stock of a corporation, with the president, secretary, treasurer, cashier, or managing agent (THEREOF) of it.

Subd. 2. [EXEMPTION NOTICE.] If this section is used to enforce a judgment against a judgment debtor who is a natural person by executing on funds of the judgment debtor held on deposit at any financial institution, the judgment creditor shall cause to be served with the execution two copies of an exemption notice. The notice shall be substantially in the form set out in section 16. If the judgment creditor fails to supply the exemption notice to the sheriff, the sheriff shall take no action. Failure of the sheriff to serve the exemption notice shall render the execution void, and the financial institution shall take no action. However, if this subdivision is being used to execute on funds which have previously been garnished in compliance with section 571.41, the judgment creditor shall not be required to serve an additional exemption notice. In that event, the execution shall only be effective as to the funds which were subject to the prior garnishment.

Subd. 3. [DUTY OF FINANCIAL INSTITUTION; EXEMPTION; OBJECTION.] Upon receipt of the execution and exemption notices, the financial institution shall attach and bind as much of the amount due under section 550.04 as his own debt equals. Within two business days after receipt of the judgment creditor's execution of the execution and exemption notices, the financial institution shall serve upon the judgment debtor two copies of the exemption notice. The exemption notice shall be served by first class mail to the last known address of the judgment debtor. If no claim of exemption is received by the financial institution within 14 days after the exemption notices are mailed to the judgment debtor, the financial institution shall remit as much of the amount due under section 550.04 as its own debt equals to the sheriff. If the judgment debtor elects to claim an exemption, he shall complete the exemption notice, affix his signature under penalty of perjury, and deliver one copy to the financial institution and one copy to the judgment creditor within 14 days of the date postmarked on the correspondence mailed to the judgment debtor containing the exemption notices. Failure of the judgment debtor to serve the executed exemption notice does not constitute a waiver of any right he may have to an exemption. Upon timely receipt of a claim of exemption, the financial institution shall remit as much of the amount due under section 550.04 as his own debt equals to the sheriff from funds not claimed to be exempt by the judgment debtor. All money claimed to be exempt shall be released to the judgment debtor

upon the expiration of seven days after the date postmarked on the correspondence containing the executed exemption notice mailed to the judgment creditor, or the date of personal delivery of the executed exemption notice to the judgment creditor, unless within that time a written objection to the claim of exemption is interposed by the judgment creditor. Objection is made by mailing or delivering one copy of the objection to the financial institution and one copy to the judgment debtor. Upon timely receipt of a written objection from the judgment creditor, the financial institution shall retain the funds claimed to be exempt. Unless the financial institution receives a notice of motion and motion from the judgment debtor asserting an exemption within ten days after receipt of the objection, the financial institution shall remit as much of the amount due under section 550.04 as its own debt equals to the sheriff. Either the judgment creditor or the judgment debtor may bring a motion to determine the validity of an exemption claim by following the procedure set out in section 17. If a notice of motion and motion to determine the validity of a claim of exemption is received by the financial institution within the period provided, the financial institution shall retain the funds claimed to be exempt until otherwise ordered by the court. However, at any time during the procedure specified in this subdivision, the judgment debtor or the judgment creditor may, by a writing dated subsequent to the service of the execution, direct the financial institution to release the funds in question to the other party. Upon receipt of a release, the financial institution shall release the funds as directed.

Subd. 4. [SUBSEQUENT PROCEEDINGS.] If in subsequent proceedings brought by the judgment debtor or the judgment creditor, the claim of exemption is not upheld, and the court finds that it was asserted in bad faith, the judgment creditor shall be awarded actual damages, costs, and reasonable attorney fees resulting from the additional proceedings and an amount not to exceed \$100. If the claim of exemption is upheld, and the court finds that the judgment creditor disregarded the claim of exemption in bad faith, the judgment debtor shall be awarded costs, reasonable attorney fees, actual damages, and an amount not to exceed \$100. The underlying judgment shall be modified to reflect assessment of damages, costs, and attorney fees. However, if the party in whose favor a penalty assessment is made is not actually indebted to his attorney for fees, the attorney's fee award shall be made directly to the attorney and an appropriate judgment in favor of the attorney shall be entered. Upon motion of any party in interest, on notice, the court shall determine the validity of any claim of exemption and may make any order necessary to protect the rights of those interested. No financial institution shall be liable for damages for complying with this section. Both copies of an exemption claim or an objection to an exemption claim shall be mailed or delivered on the same date. The financial institution may rely on the date of mailing or delivery of a notice to it in computing any time periods in this section.

Sec. 3. Minnesota Statutes 1982, section 550.141, is amended by adding a subdivision to read:

Subd. 3. [SERVICE OF EXECUTION.] If the execution has not been served within one year after service of the notice, the judgment creditor shall serve another notice upon the judgment debtor prior to serving the execution on his employer. If more than one year has passed since the most recent execution, the judgment creditor shall serve another notice upon the judgment debtor no less than ten days prior to service of a subsequent execution on his employer.

Sec. 4. Minnesota Statutes 1982, section 550.37, subdivision 4, is amended to read:

Subd. 4. [PERSONAL GOODS.] (a) All wearing apparel, one watch, utensils, and foodstuffs of the debtor and his family; and (b) household furniture, household appliances, phonographs, radio and television receivers of the debtor and his family, not exceeding (\$3,000) \$4,500 in value. The exemption provided by this subdivision may not be waived except with regard to purchase money security interests. Except for a pawnbroker's possessory lien, a nonpurchase money security interest in the property exempt under this subdivision is void.

(PROVIDED HOWEVER,) If a debtor has property of the type which would qualify for the exemption under clause (b) of this subdivision, of a value in excess of (\$3,000) \$4,500 an itemized list of the exempt property, together with the value of each item listed, shall be attached to the security agreement at the time a security interest is taken, and a creditor may take a nonpurchase money security interest in the excess over (\$3,000) \$4,500 by requiring the debtor to select his exemption in writing at the time the loan is made.

Sec. 5. Minnesota Statutes 1982, section 550.37, is amended by adding a subdivision to read:

Subd. 4a. [ADJUSTMENT OF DOLLAR AMOUNTS.] (a) The dollar amounts in subdivision 4 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, 1982, 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 disre-

garded and the dollar amounts shall change only in multiples of ten percent of the amounts stated in subdivision 4.

(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 banks 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 he 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. 6. Minnesota Statutes 1982, section 550.37, subdivision 13, is amended to read:

Subd. 13. [WAGES.] All wages not subject to garnishment by the provisions of section 571.55. A subsequent attachment, garnishment or levy of execution shall impound only that pay period's non-exempt disposable earnings not subject to a prior attachment, garnishment or levy of execution, but in no instance shall more than an individual's total non-exempt disposable earnings in that pay period be subject to attachment, garnishment or levy of execution. Garnishments shall impound the non-exempt disposable earnings in the order of their service upon the employer. The disposable earnings exempt from garnishment are exempt as a matter of right, whether claimed or not by the person to whom due. (SUCH) *The exemptions may not be waived. (SUCH) The exempt disposable earnings are payable by the employer when due. (SUCH) The exempt disposable earnings shall also be exempt for 20 days after deposit in any financial institution, whether in a single or joint account. This 20 day exemption (SHALL) also (APPLY) applies to any contractual set-off or security interest asserted by a financial insti-*

tution in which (SAID) *the* earnings are deposited by the individual. In tracing (SAID) *the* funds, the first-in first-out method of accounting shall be used. The burden of establishing that funds are exempt rests upon the debtor. As used in this section, the term "financial institution" (SHALL INCLUDE) *includes* credit unions. Nothing in this paragraph shall (BE CONSTRUED TO) void or supersede any valid assignment of wages or transfer of funds held on account made prior to the attachment, garnishment, or levy of execution.

Sec. 7. Minnesota Statutes 1982, section 550.37, subdivision 14, is amended to read:

Subd. 14. [PUBLIC ASSISTANCE.] All relief based on need, and the wages or salary of a person who is a recipient of relief based on need, shall be exempt from all claims of creditors including any contractual set-off or security interest asserted by a financial institution. For the purposes of this chapter, relief based on need (SHALL INCLUDE) *includes* AFDC, *general assistance medical care*, supplemental security income, medical assistance, Minnesota supplemental assistance, and general assistance. The salary or wages of any debtor who is or has been a recipient of relief based on need, or an inmate of a correctional institution shall, upon his return to private employment after having been a recipient of relief based on need, or an inmate of a correctional institution, be exempt from attachment, garnishment, or levy of execution for a period of six months after his return to employment and after all public assistance has been terminated. (HE MAY TAKE ADVANTAGE OF SUCH SIX MONTHS SALARY OR WAGE EXEMPTION PROVISIONS ONLY ONCE IN EVERY THREE YEARS.) The exemption provisions contained in this subdivision (SHALL) also apply for 60 days after deposit in any financial institution, *whether in a single or joint account*. In tracing (SAID) *the* funds, the first-in first-out method of accounting shall be used. The burden of establishing that funds are exempt rests upon the debtor. Agencies distributing relief and the correctional institutions shall, at the request of creditors, inform them whether or not any debtor has been a recipient of relief based on need, or an inmate of a correctional institution, within (SUCH PERIOD OF) *the preceding* six months.

Sec. 8. Minnesota Statutes 1982, section 550.37, subdivision 19, is amended to read:

Subd. 19. [WAIVER.] The exemption of the property listed in subdivisions 2, 3, and 5 to (11, AND) 12a may not be waived except by a statement in substantially the following form, in bold face type of a minimum size of 12 points, signed and dated by the debtor at the time of the execution of the contract surrendering the exemption, immediately adjacent to the listing of the property: "I understand that some or all of the above property is normally protected by law from the claims of

creditors, and I voluntarily give up my right to that protection for the above listed property with respect to claims arising out of this contract.”

Sec. 9. Minnesota Statutes 1982, section 550.37, subdivision 20, is amended to read:

Subd. 20. [TRACEABLE FUNDS.] The exemption of funds from creditors' claims, provided by subdivisions 9, 10, 11, (AND) 15, and 24, shall not be affected by the subsequent deposit of (SAID) *the* funds in a bank or any other financial institution, whether in a single or joint account, (SO LONG AS SAID) *if the* funds (CAN BE) *are* traceable to their exempt source. In tracing (SAID) *the* funds, the first-in first-out method of accounting shall be used. The burden of establishing that funds are exempt rests upon the debtor. No bank or other financial institution shall be liable for damages for complying with process duly issued out of any court for the collection of a debt even if the funds affected by (SAID) *the* process are subsequently determined to have been exempt.

Sec. 10. Minnesota Statutes 1982, section 550.37, subdivision 24, is amended to read:

Subd. 24. [EMPLOYEE BENEFITS.] The debtor's right to receive a payment, *or payments received by the debtor*, under a stock bonus, pension, profit sharing, annuity, or similar plan or contract on account of illness, disability, death, age, or length of service, to the extent reasonably necessary for the support of the debtor and any dependent of the debtor.

Sec. 11. Minnesota Statutes 1982, section 571.41, subdivision 5, is amended to read:

Subd. 5. [PRIOR NOTICE REQUIRED.] If the garnishee summons is to be used to garnish the earnings of an individual to enforce a judgment, or to garnish earnings prior to entry of judgment pursuant to subdivision 2, clause (a), prior to the first garnishment on any debt, the creditor shall serve upon the debtor, no less than ten days prior to the service of the garnishee summons, a notice that (SUCH) a summons may be issued. *If the garnishee summons has not been served within one year after service of the notice, the judgment creditor shall serve another notice upon the judgment debtor prior to serving the garnishee summons on his employer. If more than one year has passed since service of the judgment creditor's most recent garnishee summons, the judgment creditor shall no less than ten days prior to service of a subsequent garnishee summons serve notice that another garnishee summons may be served.* (SAID) The notice shall (1) be substantially in the form set out in this chapter (. SAID NOTICE SHALL); (2) be served personally, in the manner of a summons and complaint, or by first class mail to the last known address of the debtor (. SAID NOTICE SHALL); (3)

inform the debtor that a garnishee summons may be served on the debtor's employer in ten days, and that the debtor may, within that time, cause to be served on the creditor a signed statement under penalties of perjury asserting an entitlement to an exemption from garnishment (. SAID NOTICE SHALL FURTHER); (4) inform the debtor of the wage garnishment exemptions contained in section 550.37, subdivision 14 (. SAID NOTICE SHALL FURTHER); and (5) advise the debtor of the relief set forth in this chapter to which he may be entitled if a creditor in bad faith disregards a valid claim and the fee, costs, and penalty which may be assessed against a debtor who in bad faith falsely claims an exemption or in bad faith takes action to frustrate the garnishment process. If no statement of exemption is received by the creditor within ten days from the service of the notice, he may proceed with the garnishment. Failure of the debtor to serve (SUCH) a statement (SHALL) *does* not constitute a waiver of any right he may have to an exemption. If (SAID) *the* statement of exemption is received by the creditor, he may still cause a garnishee summons to be issued (; HOWEVER,). If the debtor subsequently asserts his claim of exemption successfully to the court having jurisdiction over the action, and the court finds that the creditor disregarded the claim of exemption in bad faith, the debtor shall be entitled to costs, reasonable attorney fees, actual damages, and an amount not to exceed \$100. If in subsequent proceedings which may be brought by the debtor or creditor, the claim is not upheld, and the court finds that it was asserted in bad faith, or if the court finds that the debtor has in bad faith taken action to frustrate the garnishment process, the debtor shall be assessed costs and reasonable attorney fees resulting from (SAID) *the* additional proceedings, and an amount not to exceed \$100.

Sec. 12. Minnesota Statutes 1982, section 571.41, is amended by adding a subdivision to read:

Subd. 5a. [EXEMPTION NOTICE.] If the garnishee summons is used to garnish funds of a judgment debtor who is a natural person and if the funds to be garnished are held on deposit at any financial institution, the judgment creditor shall serve with the garnishee summons two copies of an exemption notice. The notice shall be substantially in the form set out in section 16. Failure of the judgment creditor to send the exemption notice shall render the garnishment void, and the financial institution shall take no action.

Sec. 13. Minnesota Statutes 1982, section 571.41, is amended by adding a subdivision to read:

Subd. 5b. [DUTY OF FINANCIAL INSTITUTION; EXEMPTION; OBJECTION.] Upon receipt of the garnishee summons and exemption notices, the financial institution shall attach and bind as much of the amount due under section 571.471 as the financial institution has on deposit owing to the judgment

debtor. Within two business days after receipt of the garnishee summons and exemption notices, the financial institution shall serve upon the judgment debtor two copies of the exemption notice. The financial institution shall serve the notice by first class mail to the last known address of the judgment debtor. If no claim of exemption is received by the financial institution within 14 days after the exemption notices are mailed to the judgment debtor, the funds shall remain subject to the garnishment summons. If the judgment debtor elects to claim an exemption, he shall complete the exemption notice, affix his signature under penalty of perjury, and deliver one copy to the financial institution and one copy to the judgment creditor within 14 days of the date postmarked on the correspondence mailed to the judgment debtor containing the exemption notices. Failure of the judgment debtor to serve the executed exemption notice does not constitute a waiver of any right he may have to an exemption. Upon timely receipt of a claim of exemption, funds not claimed to be exempt by the judgment debtor shall remain subject to the garnishment summons. All money claimed to be exempt shall be released to the judgment debtor upon the expiration of seven days after the date postmarked on the correspondence containing the executed exemption notice mailed to the judgment creditor, or the date of personal delivery of the executed exemption notice to the judgment creditor, unless within that time the judgment creditor interposes an objection to the exemption. Objection shall be interposed by mailing or delivering one copy of the written objection to the financial institution and one copy of the written objection to the judgment creditor. Upon receipt of a written objection from the judgment creditor within the specified seven-day period, the financial institution shall retain the funds claimed to be exempt. Unless the financial institution receives a notice of motion and motion from the judgment debtor asserting exemption rights within ten days after receipt of the written exemption, the funds shall remain subject to the garnishment summons as if no claim of exemption has been made. Either the judgment creditor or the judgment debtor may bring a motion to determine the validity of an exemption claim by following the procedure set out in section 17. If a notice of motion and motion to determine the validity of a claim of exemption is received by the financial institution within the period provided, the financial institution shall retain the funds claimed to be exempt until otherwise ordered by the court, or until the garnishment lapses pursuant to section 571.69. However, at any time during the procedure specified in this subdivision, the judgment debtor or the judgment creditor may, by a writing dated subsequent to the service of the execution, direct the financial institution to release the funds in question to the other party. Upon receipt of a release, the financial institution shall release the funds as directed.

Sec. 14. Minnesota Statutes 1982, section 571.41, is amended by adding a subdivision to read:

Subd. 5c. [SUBSEQUENT PROCEEDINGS; BAD FAITH CLAIMS.] If in subsequent proceedings brought by the judgment debtor or the judgment creditor, the claim of exemption is not upheld, and the court finds that it was asserted in bad faith, the judgment creditor shall be awarded actual damages, costs, and reasonable attorney fees resulting from the additional proceedings and an amount not to exceed \$100. If the claim of exemption is upheld, and the court finds that the judgment creditor disregarded the claim of exemption in bad faith, the judgment debtor shall be awarded costs, reasonable attorney fees, actual damages, and an amount not to exceed \$100. The underlying judgment shall be modified to reflect assessment of damages, costs, and attorney fees. However, if the party in whose favor a penalty assessment is made is not actually indebted to his attorney for fees, the attorney's fee award shall be made directly to the attorney and an appropriate judgment in favor of the attorney shall be entered. Upon motion of any party in interest, on notice, the court shall determine the validity of any claim of exemption and may make any order necessary to protect the rights of those interested. No garnishee shall be liable for damages for complying with this section. Both copies of an exemption claim or an objection to an exemption claim shall be mailed or delivered on the same date. The financial institution may rely on the date of mailing or delivery of a notice to it in computing any time periods in this section.

Sec. 15. Minnesota Statutes 1982, section 571.41, subdivision 6, is amended to read:

Subd. 6. [FORM OF NOTICE.] The ten day notice informing a judgment debtor that a garnishee summons may be used to garnish the wages of an individual to enforce a judgment, shall be substantially in the following form:

STATE OF MINNESOTA — ss.

County of _____ Court

..... (Judgment Creditor)

..... (Judgment Debtor)

Garnishment Exemption Notice

The State of Minnesota

To the above named Judgment Debtor:

Please take notice that a Garnishment Summons may be served upon your employer, without any further court proceedings or notice to you, ten days or more from the date hereof. Your wages (MAY BE EXEMPTED) are completely exempt from garnishment if you are now a recipient of relief based on need, if you have

been a recipient of (SUCH) relief within the last six months, or if you have been an inmate of a correctional institution in the last six months. Relief based on need includes, *only* AFDC, *general assistance medical care*, supplemental security income, medical assistance, Minnesota supplemental assistance, and general assistance. (IT DOES NOT INCLUDE SOCIAL SECURITY, UNEMPLOYMENT COMPENSATION, FOOD STAMPS, OR WORKERS' COMPENSATION.)

If you wish to claim (SUCH) an exemption, you should fill out the appropriate form below, sign it, and send it to the judgment creditor's attorney and the garnishee.

You may wish to contact the attorney for the Judgment Creditor in order to arrange for a settlement of the debt.

PENALTIES

1. Be advised that even if you claim an exemption, a Garnishment Summons may still be served on your employer. If your wages are garnished after you claim an exemption, you may petition the court for a determination of your exemption. If the court finds that the creditor disregarded your claim of exemption in bad faith, you will be entitled to costs, reasonable attorney fees, actual damages, and an amount not to exceed \$100.

2. HOWEVER, BE WARNED if you claim an exemption, the creditor can also petition the court for a determination of your exemption, and if the court finds that you claimed an exemption in bad faith, you will be assessed costs and reasonable attorney's fees plus an amount not to exceed \$100.

3. If after receipt of this notice, you in bad faith take action to frustrate the garnishment, thus requiring the creditor to petition the court to resolve the problem, you will be liable to the creditor for costs and reasonable attorney fees plus an amount not to exceed \$100.

Dated: (Attorney for) Judgment Creditor

Address

Telephone

I hereby claim under penalty of perjury that my wages are exempt from garnishment because:

(1) I am presently a recipient of relief based on need. (Specify the program, case number, and the county from which relief is being received. (THERE IS NO LIMIT TO THE NUMBER OF TIMES THIS EXEMPTION MAY BE CLAIMED.))

Program	Case Number (if known)	County
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(2) I am not now receiving relief based on need, but I have received relief based on need within the last six months. (Specify the program, case number, and the county from which relief has been received.) (I AM AWARE THAT I AM NOT PERMITTED BY LAW TO USE THIS EXEMPTION FOR MORE THAN ONE SIX MONTH PERIOD EVERY THREE YEARS, AND THAT I MAY BE PENALIZED IF I VIOLATE THIS LAW.)

Program	Case Number (if known)	County
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(3) I have been an inmate of a correctional institution within the last six months (, AND I HAVE NOT CLAIMED THIS EXEMPTION WITHIN THE LAST THREE YEARS). (Specify the correctional institution and location.)

Correctional Institution	Location
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I hereby authorize any agency that has distributed relief to me or any correctional institution (WHEREIN) *in which* I was an inmate to disclose to the above-named creditor or his attorney whether or not I was a recipient of relief based on need or an inmate of a correctional institution within the last six months.

Judgment Debtor

Address

Sec. 16. Minnesota Statutes 1982, section 571.41, is amended by adding a subdivision to read:

Subd. 6a. [FORM OF EXEMPTION NOTICE.] The notice informing a judgment debtor that a writ of attachment, garnishee summons, or levy of execution has been used to attach and bind funds of the judgment debtor to satisfy a claim shall be substantially in the following form:

EXEMPTION NOTICE

STATE OF MINNESOTA
 COUNTY OF

Court

(Judgment Creditor)

(Judgment Debtor)

To (Judgment Debtor):

A writ of attachment, garnishee summons, or levy of execution (strike inapplicable language) has been served on (Bank or other Financial Institution) where you have an account.

Your account balance is \$

The amount being held is \$

However, the funds in your account will normally be exempt from creditors claims if they are in one of the following categories:

(1) Relief based on need. This includes AFDC, Medical Assistance, Supplemental Security Income (SSI), Minnesota Supplemental Assistance, General Assistance, and General Assistance Medical Care.

(2) Social Security benefits (Old Age, Survivors, or Disability Insurance).

(3) Unemployment compensation, workers' compensation, or veteran's benefits.

(4) An accident, disability, or retirement pension or annuity.

(5) Life insurance proceeds or the earnings of your minor child.

(6) Money from a claim for damage or destruction of exempt property (such as household goods, farm tools, business equipment, a mobile home, or a car).

The following funds are also exempt:

(7) All wages of a person in category 1.

(8) All wages of a person who has received relief based on need, or who has been an inmate of a correctional institution, within the last six months.

(9) Seventy-five percent of every wage earner's after tax earnings.

(10) All of a wage earner's after tax earnings below 40 times the federal minimum wage (this equals \$134 for a 40-hour week).

TIME LIMIT ON EXEMPTIONS AFTER DEPOSIT IN BANK:

Categories 9 and 10: 20 days.

Categories 7 and 8: 60 days.

All others: no time limit, as long as funds are traceable to the exempt source. (In tracing funds, the First In, First Out method is used. This means money deposited first is spent first.) The money being sought by the creditor is being held in your account to give you a chance to claim an exemption.

TO CLAIM AN EXEMPTION:

Fill out, sign, and mail or deliver one copy of this exemption claim form to the institution which sent you this notice, and one copy to the judgment creditor. Both copies must be mailed or delivered on the same day.

If they don't get the exemption claim back from you within 14 days of the date they mailed or gave it to you, they will be free to turn the money over to the sheriff or the creditor. If you are going to claim an exemption, do so as soon as possible, because your money may be frozen until it is decided.

IF YOU CLAIM AN EXEMPTION:

(1) Nonexempt money can be turned over to the creditor or sheriff;

(2) The financial institution will keep holding the money claimed to be exempt; and

(3) Seven days after receiving your exemption claim, the financial institution will release the money to you unless before then it receives an objection to your exemption claim.

IF THE CREDITOR OBJECTS TO YOUR EXEMPTION CLAIM:

*(1) The institution will hold the money until a court decides if your exemption claim is valid, **BUT ONLY IF** the institution gets a copy of your court motion papers asserting the exemption **WITHIN 10 DAYS** after the objection is mailed or given to you. You may wish to consult an attorney at once if the creditor objects to your exemption claim.*

MOTION TO DETERMINE EXEMPTION:

At any time after your funds have been frozen, you may ask for a court decision on the validity of your exemption claim by filing a request for hearing which may be obtained at the office of the clerk of the above court.

PENALTIES:

If you claim an exemption in bad faith, or if the creditor wrongly objects to an exemption in bad faith, the court may order the person who acted in bad faith to pay costs, actual damages, attorney fees, and an additional amount of up to \$100.

Date

(Attorney for) Judgment Creditor

Address

EXEMPTION:

(a) Amount of exemption claim.

/ / I claim ALL the funds being held are exempt.

/ / I claim SOME of the funds being held are exempt. The exempt amount is \$

(b) Basis for Exemption.

Of the ten categories listed above, I am in category number (If more than one category applies, you may fill in as many as apply.) The source of the exempt funds is the following:

.....
.....

(If the source is a type of relief based on need, list the case number and county:

case number: ;

county:)

Dated:

Judgment Debtor

Address

Sec. 17. Minnesota Statutes 1982, section 571.41, is amended by adding a subdivision to read:

Subd. 6b. [FORM OF MOTION.] (1) A motion to determine the validity of an exemption claim may be brought by either the judgment creditor or the judgment debtor by filing with the clerk of court out of which the attachment, garnish-

ment, or execution issued a Request for Hearing which shall be in substantially the following form:

STATE OF MINNESOTA COURT
COUNTY OF

REQUEST FOR HEARING ON
EXEMPTION CLAIM

Plaintiff(s),

V.

Defendant(s).

I hereby request a hearing to resolve the exemption claim which has been made in this case regarding funds in the account of (Debtor) at the (Financial Institution). I believe the property being held is (not) exempt because.

DATED:

Judgment (Debtor, Creditor)

Address

Hearing date:

Time:

Place:

[Note to both parties: Bring with you to the hearing all documents and materials relevant to the exemption claim. Failure to do so could delay the court's decision.]

(2) The court shall provide Request for Hearing forms and clerical assistance to help with the writing and filing of a Request for Hearing by any person not represented by counsel. The clerk may charge a fee of \$1 for the filing of a Request for Hearing.

(3) Upon the filing of a Request for Hearing, the clerk shall schedule the matter for a hearing no later than five business days from the date of filing. The clerk shall forthwith send a completed copy of the request, including the hearing date, time, and place to the adverse party and to the financial institution by first class mail.

Sec. 18. Minnesota Statutes 1982, section 571.42, is amended to read:

571.42 [EFFECT OF SERVICE OF SUMMONS.]

Subdivision 1. [ATTACH FOR JUDGMENT.] Except as provided in section 571.43 and 571.50, service of the garnishee summons upon the garnishee shall attach and bind, to respond to final judgment in the action, all personal property of the judgment debtor in his possession or under his control and all indebtedness owing by him to the judgment debtor at the time of (SUCH) service and all non-exempt disposable earnings earned or to be earned within that (ONE) pay period *and within 30 days thereafter.*

Subd. 2. [PROPERTY ATTACHED.] Subject to the provisions of sections 550.37 and 571.55 all moneys, all non-exempt disposable earnings earned or to be earned within that (ONE) pay period *and within 30 days thereafter* and other personal property including (SUCH) property of any kind due from or in the hands of an executor, administrator, receiver or trustee and all written evidences of indebtedness whether negotiable or not or under or overdue may be attached by garnishment, and money or any other thing due or belonging to the judgment debtor may be attached by this process before it has become payable if its payment or delivery does not depend upon any contingency, but the garnishee shall not be compelled to pay or deliver (THE SAME) *it* before the time appointed by the contract.

Sec. 19. Minnesota Statutes 1982, section 571.67, is amended to read:

571.67 [PENALTY IN CERTAIN GARNISHMENT PROCEEDINGS.]

A party who serves or causes to be served a garnishment summons prior to judgment in the main action, except where garnishment prior to entry of judgment is permitted, is liable to the debtor named in the garnishment proceedings in the amount of \$100 plus reasonable attorneys fees and costs. *Action by a judgment creditor in violation of sections 550.041, 550.14, 550.141, or 571.41, causing any third party or garnishee in possession of funds owing to the judgment debtor to hold or deliver the funds to satisfy a garnishment, attachment, or levy of execution shall render the garnishment, attachment, or levy of execution void and the judgment creditor liable to the judgment debtor named in the garnishment, attachment, or execution in the amount of \$100, actual damages, and reasonable attorney fees and costs."*

Amend the title as follows:

Page 1, line 13, after "24" insert ", and by adding a subdivision"

Page 1, line 13, delete "subdivision" and insert "subdivisions"

Page 1, line 13, after "5," insert "6,"

Page 1, line 14, after the semicolon insert "571.42;"

With the recommendation that when so amended the bill pass.

The report was adopted.

Kostohryz from the Committee on General Legislation and Veterans Affairs to which was referred:

H. F. No. 929, A bill for an act relating to animals; providing for the welfare of certain pets and companion animals; imposing penalties; proposing new law coded in Minnesota Statutes, chapter 346.

Reported the same back with the following amendments:

Page 1, lines 9 and 12, delete "9" and insert "10"

Page 1, line 12, after "[SCOPE.]" insert "*Sections 1 to 10 shall only apply to veterinarians, animal boarding facilities, and commercial animal facilities, excepting section 4, subdivision 9.*"

Page 1, after line 22, insert:

"Subd. 5. [NEGLECT.] "Neglect" means failure to provide the minimum care required for the health and well-being of a pet or companion animal."

Renumber the subdivisions in sequence

Page 3, line 12, delete "manmade"

Page 3, line 14, delete "Natural or manmade"

Page 3, line 16, delete "Manmade"

Page 3, line 18, delete "Manmade"

Page 4, line 16, delete everything after the period

Page 4, delete line 17

Page 9, after line 19, insert:

"Sec. 9. [346.43] [FARM ANIMALS EXCLUDED.]

Sections 1 to 10 do not apply to the care or treatment of an agricultural or farm animal which is used for food or other products."

Page 9, line 20, delete "[346.43]" and insert "[346.44]"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 3, delete "penalties" and insert "a penalty"

With the recommendation that when so amended the bill pass.

The report was adopted.

Swanson from the Committee on Health and Welfare to which was referred:

H. F. No. 1013, A bill for an act relating to public welfare; providing for relative resource contribution for medical assistance; amending Minnesota Statutes 1982, section 256B.14, subdivision 2.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1982, section 256B.14, subdivision 2, is amended to read:

Subd. 2. [ACTIONS TO OBTAIN PAYMENT.] The state agency shall promulgate rules to determine the ability of responsible relatives to contribute partial or complete repayment of medical assistance furnished to recipients for whom they are responsible. *In determining the resource contribution of a spouse at the time of the first medical assistance application, all medical assistance exclusions shall be allowed, and a resource limit of \$10,000 for nonexcluded resources shall be implemented. Above these limits, a contribution of one-third of the excess resources shall be required.* These rules shall not require repayment when payment would cause undue hardship to the responsible relative or his or her immediate family. The county agency shall give the responsible relative notice of the amount of the repayment. If the state agency or county agency finds that notice of the payment obligation was given to the responsible relative, but that the relative failed or refused to pay, a cause of action exists against the responsible relative for that portion of medical assistance granted after notice was given to the responsible relative, which the relative was determined to be able to pay.

The action may be brought by the state agency or the county agency in the county where assistance was granted, for the assistance, together with the costs of disbursements incurred due to the action.

In addition to granting the county or state agency a money judgment, the court may, upon a motion or order to show cause, order continuing contributions by a responsible relative found able to repay the county or state agency. The order shall be effective only for the period of time during which the recipient receives medical assistance from the county or state agency.

Sec. 2. Minnesota Statutes 1982, section 256B.14, is amended by adding a subdivision to read:

Subd. 3. [SPOUSAL CONTRIBUTION.] In determining the resource contribution for a noninstitutionalized spouse at the time of an initial application by an institutionalized spouse, all medical assistance exclusions should be allowed to the applicant and the noninstitutionalized spouse may retain up to \$10,000 in nonexcluded resources. The noninstitutionalized spouse must contribute one-third of the new nonexcluded resources over \$10,000.

Sec. 3. Minnesota Statutes 1982, section 256B.17, is amended by adding a subdivision to read:

Subd. 5. [EXCEPTION FOR ASSET TRANSFERS.] Notwithstanding subdivision 4, an institutionalized spouse who applies for medical assistance and who owns, together with his or her spouse, less than \$20,000 in liquid assets, may transfer up to \$10,000 to his or her spouse without loss of eligibility.

Sec. 4. [EFFECTIVE DATE.]

Sections 1 and 2 are effective July 1, 1983, for new applications for medical assistance taken on or after that date."

Amend the title as follows:

Page 1, line 4, delete "section" and insert "sections"

Page 1, line 5, after "2" insert ", and by adding a subdivision; and 256B.17, by adding a subdivision"

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

The report was adopted.

Rice from the Committee on Appropriations to which was referred:

H. F. No. 1033, A bill for an act relating to insurance; authorizing the establishment of joint self-insurance employee health plans; providing administrative, trust, bonding, investment and reporting requirements; establishing a revenue fee; appropriating money; proposing new law coded as Minnesota Statutes, chapter 62H.

Reported the same back with the following amendments:

Page 3, delete lines 28 to 30 and insert:

“Sec. 8. [62H.08] [EXEMPT PLANS.]

Any homogenous joint employer plan providing group health benefits which was in existence prior to March 1, 1983, and which is (a) associated with, organized by, or sponsored by an association which is exempt from the corporate income tax pursuant to section 501(c)(6) of the Internal Revenue Code of 1954, as amended through December 31, 1982, and (b) controlled by a board of trustees, a majority of whom are members of the association, is exempt from sections 1 to 8.”

Amend the title as follows:

Page 1, line 6, delete “appropriating money;”

With the recommendation that when so amended the bill pass.

The report was adopted.

Norton from the Committee on Governmental Operations to which was referred:

H. F. No. 1190, A bill for an act relating to unemployment compensation; providing for conformity with federal law; updating the law to reflect current practice; making technical changes; removing obsolete language; regulating administrative practices; providing for the effect of back pay awards; regulating benefit amounts, contributions, and benefit eligibility; amending Minnesota Statutes 1982, sections 268.04, subdivisions 12, 17, 25, 26, 29, and by adding a subdivision; 268.05, subdivision 5; 268.06, subdivisions 1, 2, 3a, 5, 20, 28, and 29; 268.07, subdivision 2; 268.071, subdivision 3; 268.08, subdivision 3, and by adding a subdivision; 268.09, subdivisions 1 and 2; 268.10, subdivisions 2, 3, 4, 5, 6, 7, and 9; 268.11, subdivisions 2 and 3; 268.12, subdivisions 8 and 9; 268.16, subdivision 2; 268.161, subdivisions 1, 4, 5, 7, and 8; 268.18, subdivisions 1 and 2; repealing Minnesota Statutes 1982, section 268.06, subdivision 32.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1982, section 268.04, subdivision 2, is amended to read:

Subd. 2. "Base period" means the period of fifty-two calendar weeks immediately preceding the first day of an individual's benefit year. (PROVIDED,) However, (THAT) if a claimant received weekly worker's compensation for temporary total disability under the provisions of chapter 176 or under a similar law of the United States for more than seven weeks within the the base period, (AS HERETOFORE DEFINED, HIS) or if a claimant, *whose own serious illness caused a loss of credit weeks within the base period, received compensation due to the illness from some other source or under a law of this state other than chapter 176 or under a similar law of the United States for more than seven weeks within the base period, the claimant's* base period shall be lengthened by the same number of (SUCH) weeks, but not to exceed 52 weeks, for which (HE) *the claimant* received (SUCH) *the* payments (; PROVIDED FURTHER, THAT). No extended base period shall include wage credits upon which benefits were established and paid with respect to a prior valid claim.

Sec. 2. Minnesota Statutes 1982, section 268.04, subdivision 12, is amended to read:

Subd. 12. "Employment" means: (1) Subject to the other provisions of this subdivision "employment" means service performed prior to January 1, 1945, which was employment as defined in this section prior to such date, and any service performed after December 31, 1944, including service in interstate commerce, by an individual who is a servant under the law of master and servant or who performs services for any employing unit, unless such services are performed by an independent contractor.

The term "employment" shall include: Any service performed, including service in interstate commerce, by;

(a) any officer of any corporation; or

(b) any individual other than an individual who is an employee under clause (1) who performs services for remuneration for any person as an agent-driver or commission-driver engaged in distributing meat products, vegetable products, fruit products, bakery products, beverages (other than milk), or laundry or dry-cleaning services, for his principal, or as a traveling or city salesman, other than as an agent-driver or commission-driver, engaged upon a fulltime basis in the solicitation on behalf of,

and the transmission to, his principal (except for sideline sales activities on behalf of some other person) of orders from wholesalers, retailers, contractors, or operators of hotels, restaurants, or other similar establishments for merchandise for resale or supplies for use in their business operations;

Provided, that for purposes of clause (1) (b), the term "employment" shall include services described above only if the contract of service contemplates that substantially all of the services are to be performed personally by such individual, the individual does not have a substantial investment in facilities used in connection with the performance of the services (other than in facilities for transportation), and the services are not in the nature of a single transaction that is not part of a continuing relationship with the person for whom the services are performed.

(2) The term "employment" shall include an individual's entire service, performed within or both within and without this state if (a) the service is localized in this state; or (b) the service is not localized in any state but some of the service is performed in this state and (1) the base of operations, or, if there is no base of operations, then the place from which such service is directed or controlled, is in this state; (2) the base of operations or place from which such service is directed or controlled is not in any state in which some part of the service is performed, but the individual's residence is in this state.

(3) Service shall be deemed to be localized within a state if (a) the service is performed entirely within such state; or (b) the service is performed both within and without such state, but the service performed without such state is incidental to the individual's service within the state, for example, is temporary or transitory in nature or consists of isolated transactions.

(4) The term "employment" shall include an individual's service wherever performed within the United States or Canada, if

(a) Such service is not covered under the unemployment compensation law of any other state or Canada, and

(b) The place from which the service is directed or controlled is in this state.

(5) (a) Service covered by an election pursuant to section 268.11, subdivision 3; and

(b) Service covered by an arrangement pursuant to section 268.13 between the commissioner and the agency charged with the administration of any other state or federal employment security law, pursuant to which all service performed by an

individual for an employing unit is deemed to be performed entirely within this state, shall be deemed to be employment if the commissioner has approved an election of the employing unit for which such service is performed, pursuant to which the entire service of such individual during the period covered by such election is deemed to be employment.

(6) Notwithstanding any inconsistent provisions of sections 268.03 to 268.24, the term "employment" shall include any services which are performed by an individual with respect to which an employing unit is liable for any federal tax against which credit may be taken for contributions required to be paid into a state unemployment compensation fund or which as a condition for full tax credit against the tax imposed by the federal unemployment tax act is required to be covered under this law.

(7) Service performed by an individual in the employ of the state of Minnesota or any instrumentality which is wholly owned by the state of Minnesota or in the employ of this state and one or more other states or an instrumentality of this state and one or more of its political subdivisions or an instrumentality of this state and another state or an instrumentality of this state and one or more political subdivisions of another state if such service is excluded from "employment" as defined by section 3306(c)(7) of the federal unemployment tax act and is not excluded from "employment" under clause (10) of this subdivision.

(8) Service performed by an individual in the employ of any political subdivision of the state of Minnesota or instrumentality thereof or an instrumentality of two or more political subdivisions of this state or any instrumentality of a political subdivision of this state and another state or political subdivisions of another state if such service is excluded from "employment" as defined by section 3306(c)(7) of the federal unemployment tax act and is not excluded from "employment" under clause (10) of this subdivision.

(a) The provisions of section 268.08, subdivision 6, shall apply to service covered by this section.

(b) The amounts required to be paid in lieu of contributions by any political subdivision shall be billed and payment made as provided in section 268.06, subdivision 28, clause (2), with respect to similar payments by nonprofit organizations.

(9) Service performed by an individual in the employ of a religious, charitable, educational or other organization but only if the following conditions are met:

(a) the service is excluded from "employment" as defined in the federal unemployment tax act solely by reason of section 3306(c) (8) of that act; and

(b) the organization had one or more individuals in employment for some portion of a day in each of 20 different weeks, whether or not such weeks were consecutive, within either the current or preceding calendar year, regardless of whether they were employed at the same moment of time.

(10) For the purposes of clauses (7), (8), and (9), the term "employment" does not apply to service performed

(a) in the employ of a church or convention or association of churches, or an organization which is operated (EXCLUSIVELY) *primarily* for religious purposes and which is operated, supervised, controlled, or principally supported by a church or convention or association of churches; or

(b) by a duly ordained, commissioned, or licensed minister of a church in the exercise of his ministry or by a member of a religious order in the exercise of duties required by such order; or

(c) in a facility conducted for the purpose of carrying out a program of rehabilitation for individuals whose earning capacity is impaired by age or physical or mental deficiency or injury or providing remunerative work for individuals who because of their impaired physical or mental capacity cannot be readily absorbed in the competitive labor market by an individual receiving such rehabilitation or remunerative work; or

(d) as part of an unemployment work relief or work training program assisted or financed in whole or in part by any federal agency or an agency of a state or political subdivision thereof, by an individual receiving such work relief or work training (, EXCEPTING PUBLIC SERVICE EMPLOYMENT AND ON THE JOB TRAINING PARTICIPANTS UNDER THE FEDERAL COMPREHENSIVE EMPLOYMENT AND TRAINING ACT, AS AMENDED, IF THE PARTICIPANTS ARE PERFORMING SERVICES WHICH ARE THE SAME OR SIMILAR TO THOSE PERFORMED BY OTHER EMPLOYEES OF THE EMPLOYER). *This exclusion shall not apply to programs that provide for and require unemployment insurance coverage for the participants; or*

(e) by an inmate of a custodial or penal institution; or

(f) in the employ of governmental entities referred to in clauses (7) and (8) of this subdivision if such service is performed by an individual in the exercise of duties

- (i) as an elected official,
- (ii) as a member of a legislative body, or a member of the judiciary,
- (iii) as a member of the Minnesota national guard or air national guard,
- (iv) as an employee serving only on a temporary basis in case of fire, storm, snow, earthquake, flood or similar emergency,
- (v) (a) in a position with the state of Minnesota which is a major nontenured policy making or advisory position in the unclassified service, or
- (b) a policy making position with the state of Minnesota or a political subdivision the performance of the duties of which ordinarily does not require more than eight hours per week; or
- (c) in a position with a political subdivision which is a major nontenured policy making or advisory position.

(11) The term "employment" shall include the service of an individual who is a citizen of the United States, performed outside the United States, except in Canada, in the employ of an American employer (other than service which is deemed "employment" under the provisions of clauses (2), (3), or (4) or the parallel provisions of another state's law) if:

(a) The employer's principal place of business in the United States is located in this state; or

(b) The employer has no place of business in the United States, but the employer is an individual who is a resident of this state, or the employer is a corporation which is organized under the laws of this state, or the employer is a partnership or a trust and the number of partners or trustees who are residents of this state is greater than the number who are residents of any one other state; or

(c) None of the criteria of (a) and (b) of this clause is met but the employer has elected coverage in this state, or the employer having failed to elect coverage in any state, the individual has filed a claim for benefits, based on such service, under the law of this state.

(d) An "American employer," for the purposes of this subdivision, means a person who is an individual who is a resident of the United States, or a partnership if two-thirds or more of the partners are residents of the United States, or a trust, if all of the trustees are residents of the United States, or a

corporation organized under the laws of the United States or of any state;

(e) As used in this subdivision, the term "United States" includes the states, the District of Columbia, the Commonwealth of Puerto Rico, and the Virgin Islands.

(12) Notwithstanding clause ((1)) (2), all service performed by an officer or member of the crew of an American vessel on or in connection with such vessel, if the operating office, from which the operations of such vessel operating on navigable waters within, or within and without, the United States are ordinarily and regularly supervised, managed, directed and controlled is within this state.

(13) Service performed by an individual in agricultural labor as defined in clause (15) (a) of this subdivision when:

(a) Such service is performed for a person who:

(i) during any calendar quarter in either the current or the preceding calendar year paid wages of \$20,000 or more to individuals employed in agricultural labor, or

(ii) for some portion of a day in each of 20 different calendar weeks, whether or not such weeks were consecutive, in either the current or preceding calendar year employed in agricultural labor four or more individuals regardless of whether they were employed at the same time.

(b) For the purpose of this clause (13) any individual who is a member of a crew furnished by a crew leader to perform service in agricultural labor for any other person shall be treated as an employee of the crew leader:

(i) if the crew leader holds a valid certificate of registration under the farm labor contractor registration act of 1963, as amended; or substantially all of the members of his crew operate or maintain tractors, mechanized harvesting or crop dusting equipment, or any other mechanized equipment, which is provided by the crew leader; and

(ii) if the individual is not an employee of another person as determined by clause (1) of this subdivision.

(c) For the purpose of this clause (13) in the case of any individual who is furnished by a crew leader to perform service in agricultural labor for any other person and who is not treated as an employee of the crew leader under subclause (13) (b):

(i) such other person and not the crew leader shall be treated as the employer of such individual; and

(ii) such other person shall be treated as having paid wages to such individual in an amount equal to the amount of wages paid to such individual by the crew leader (either on his own behalf or on behalf of such other person) for the service in agricultural labor performed for such other person.

(d) For the purposes of this clause (13) the term "crew leader" means an individual who:

(i) furnishes individuals to perform service in agricultural labor for any other person,

(ii) pays (either on his own behalf or on behalf of such other person) the individuals so furnished by him for the service in agricultural labor performed by them, and

(iii) has not entered into a written agreement with such other person under which such furnished individual is designated as an employee of such other person.

(e) For the purposes of this clause (13) services performed by an officer or shareholder of a family farm corporation shall be excluded from agricultural labor and employment unless said corporation is an employer as defined in section 3306(a)(2) of the Federal Unemployment Tax Act.

(f) For the purposes of this clause (13), services performed by an individual 16 years of age or under shall be excluded from agricultural labor and employment unless the employer is an employer as defined in section 3306(a)(2) of the Federal Unemployment Tax Act.

(14) The term "employment" shall include domestic service in a private home, local college club, or local chapter of a college fraternity or sorority performed for a person who paid wages of \$1,000 or more in the current calendar year or the preceding calendar year to individuals employed in domestic service in any calendar quarter.

"Domestic service" includes all service for an individual in the operation and maintenance of a private household, for a local college club, or local chapter of a college fraternity or sorority as distinguished from service as an employee in the pursuit of an employer's trade, occupation, profession, enterprise or vocation.

(15) The term "employment" shall not include:

(a) Agricultural labor. Service performed by an individual in agricultural labor, except as provided in clause (13) of this subdivision. The term "agricultural labor" includes all services performed:

(1) On a farm, in the employ of any person or family farm corporation, in connection with cultivating the soil, or in connection with raising or harvesting any agricultural or horticultural commodity, including the raising, shearing, feeding, caring for, training, and management of livestock, bees, poultry, fur-bearing animals and wildlife;

(2) In the employ of the owner or tenant or other operator of a farm, in connection with the operation, management, conservation, improvement, or maintenance of such farm and its tools and equipment, or in salvaging timber or clearing land of brush and other debris left by a tornadic-like storm, if the major part of such service is performed on a farm;

(3) In connection with the production or harvesting of any commodity defined as an agricultural commodity in section 15(g) of the agricultural marketing act, as amended (46 Stat. 1550, sec. 3; 12 U.S.C. 1141j) or in connection with the ginning of cotton, or in connection with the operation or maintenance of ditches, canals, reservoirs, or waterways, not owned or operated for profit, used exclusively for supplying and storing water for farming purposes;

(4) In the employ of the operator of a farm in handling, planting, drying, packing, packaging, processing, freezing, grading, storing, or delivering to storage or to market or to a carrier for transportation to market, in its unmanufactured state, any agricultural or horticultural commodity; but only if such operator produced more than one-half of the commodity with respect to which such service is performed, or in the employ of a group of operators of farms (or a cooperative organization of which such operators are members) in the performance of service described herein, but only if such operators produced more than one-half of the commodity with respect to which such service is performed; however, the provisions of this paragraph shall not be deemed to be applicable with respect to service performed in connection with commercial canning or commercial freezing or in connection with any agricultural or horticultural commodity after its delivery to a terminal market for distribution for consumption; or

(5) On a farm operated for profit if such service is not in the course of the employer's trade or business.

As used herein, the term "farm" includes stock, dairy, poultry, fruit, fur-bearing animal, and truck farms, plantations, ranches, nurseries, ranges, greenhouses or other similar structures used primarily for the raising of agricultural or horticultural commodities, and orchards.

(b) Casual labor not in the course of the employing unit's trade or business;

(c) Service performed on the navigable waters of the United States as to which this state is prohibited by the constitution and laws of the United States of America from requiring contributions of employers with respect to wages as provided in sections 268.03 to 268.24;

(d) Service performed by an individual in the employ of his son, daughter, or spouse, and service performed by a child under the age of 18 in the employ of his father or mother;

(e) Service performed in the employ of the United States government, or any instrumentality of the United States exempt under the constitution of the United States from the contributions imposed by sections 268.03 to 268.24, except that with respect to such service and to the extent that the congress of the United States shall permit states to require any instrumentalities of the United States to make payments into an unemployment compensation fund under a state unemployment compensation act; then, to the extent permitted by congress, and from and after the date as of which such permission becomes effective, all of the provisions of these sections shall be applicable to such instrumentalities and to services performed for such instrumentalities in the same manner, to the same extent, and on the same terms as to all other employers, employing units, individuals, and services; provided, that if this state shall not be certified for any year by the United States department of labor under section 3304(c) of the federal internal revenue code, the payments required of such instrumentalities with respect to such year shall be refunded by the commissioner from the fund in the same manner and within the same period as is provided in section 268.16, subdivision 6, with respect to contributions erroneously collected;

(f) Service with respect to which unemployment compensation is payable under an unemployment compensation system established by an act of congress;

(g) (1) Service performed in any calendar quarter in the employ of any organization exempt from income tax under section 501(a) (other than an organization described in section 401(a)) or section 521 of the federal internal revenue code, if the remuneration for such service is less than \$50; or

(2) Service performed in the employ of a school, college, or university, if such service is performed by a student who is enrolled and is regularly attending classes at such school, college, or university; or

(3) Service performed by an individual (UNDER THE AGE OF 22) who is enrolled at a nonprofit or public educational institution which normally maintains a regular faculty and curriculum and normally has a regularly organized body of students

in attendance at the place where its educational activities are carried on as a student in a fulltime program, taken for credit at such institution, which combines academic instruction with work experience, if such service is an integral part of such program, and such institution has so certified to the employer, except that this paragraph shall not apply to service performed in a program established for or on behalf of an employer or group of employers;

(h) Service performed in the employ of a foreign government (including service as a consular or other officer or employee or a nondiplomatic representative);

(i) Service performed in the employ of an instrumentality wholly owned by a foreign government, if

(1) The service is of a character similar to that performed in foreign countries by employees of the United States government or of an instrumentality thereof; and

(2) The commissioner finds that the United States secretary of state has certified to the United States secretary of the treasury that the foreign government, with respect to whose instrumentality exemption is claimed, grants an equivalent exemption with respect to similar service performed in the foreign country by employees of the United States government and of instrumentalities thereof.

(j) Service covered by an arrangement between the commissioner and the agency charged with the administration of any other state or federal employment security law pursuant to which all services performed by an individual for an employing unit during the period covered by such employing unit's duly approved election, are deemed to be performed entirely within such agency's state;

(k) Service performed in the employ of a hospital, if such service is performed by a patient of the hospital, as defined in clause (17);

(l) Service performed as a student nurse in the employ of a hospital or a nurses' training school by an individual who is enrolled and is regularly attending classes in a nurses' training school chartered and approved pursuant to state law; and service performed as an intern in the employ of a hospital by an individual who has completed a four years' course in a medical school chartered and approved pursuant to state law;

(m) Service performed by an individual for a person as an insurance agent or as an insurance solicitor, if all such service performed by such individual for such person is performed for remuneration solely by way of commission (the word "insur-

ance" as used in this subdivision shall include an annuity and an optional annuity);

(n) Service performed by an individual under the age of 18 in the delivery or distribution of newspapers or shopping news, not including delivery or distribution to any point for subsequent delivery or distribution;

(o) Service performed by an individual for a person as a real estate salesman, if all such service performed by such individual for such person is performed for remuneration solely by way of commission;

(p) If the service performed during one-half or more of any pay period by an individual for the person employing him constitutes employment, all the service of such individual for such period shall be deemed to be employment; but if the service performed during more than one-half of any such pay period by an individual for the person employing him does not constitute employment, then none of the service of such individual for such period shall be deemed to be employment. As used in this subdivision, the term "pay period" means a period (of not more than 31 consecutive days) for which a payment or remuneration is ordinarily made to the individual by the person employing him.

(q) Services performed for a state, other than the state of Minnesota, or an instrumentality wholly owned by such other state or political subdivision of such other state;

(r) *Services performed as a direct seller as defined in United States Code, title 26, section 3508.*

(16) "Institution of higher education," for the purposes of this chapter, means an educational institution which:

(a) Admits as regular students only individuals having a certificate of graduation from a high school, or the recognized equivalent of such a certificate;

(b) Is legally authorized in this state to provide a program of education beyond high school;

(c) Provides an educational program for which it awards a bachelor's or higher degree, or provides a program which is acceptable for credit toward such a degree, a program of post-graduate or post-doctoral studies, or a program of training to prepare students for gainful employment in a recognized occupation; and

(d) Is a public or other nonprofit institution.

(e) Notwithstanding any of the foregoing provisions of this clause, all colleges and universities in this state are institutions of higher education for purposes of this section.

(17) "Hospital" means an institution which has been licensed, certified or approved by the department of health as a hospital.

Sec. 3. Minnesota Statutes 1982, section 268.04, subdivision 17, is amended to read:

Subd. 17. "Insured work" means employment for employers as defined in this section, except that for the purposes of interstate reciprocal benefit payment arrangements and the clearing of disqualifications under this law, the term "insured work" shall mean employment in insured work under this law or a similar law of any other state. *Periods for which an individual receives back pay are periods of insured work for benefit purposes, except for the clearing of disqualifications under this chapter.*

Sec. 4. Minnesota Statutes 1982, section 268.04, subdivision 25, is amended to read:

Subd. 25. [WAGES.] "Wages" means all remuneration for services, including commissions and bonuses, *back pay as of the date of payment*, and tips and gratuities paid to an employee by a customer of an employer and accounted for by the employee to the employer, and the cash value of all remuneration in any medium other than cash, except that such term shall not include:

(a) For the purpose of determining contributions payable under section 268.06, subdivision 2, that part of the remuneration which exceeds (\$8,000 DURING THE CALENDAR YEARS 1979, 1980 AND 1981 AND), for (ALL) *each (SUBSEQUENT) calendar (YEARS) year, the greater of \$7,000 or that part of the remuneration which exceeds 60 percent of the average annual wage rounded to the nearest \$100 computed in accordance with the provisions of clause (f), paid to an individual by an employer with respect to covered employment in this state, or with respect to employment under the unemployment compensation law of any other state during any calendar year paid to such individual by such covered employer or his predecessor during such calendar year; provided, that if the term "wages" as contained in the federal unemployment tax act is amended to include remuneration in excess of the amount required to be paid hereunder to an individual by an employer under the federal act for any calendar year, wages for the purposes of sections 268.03 to 268.24 shall include remuneration paid in a calendar year up to an amount equal to the dollar limitation specified in the federal unemployment tax act. For the purposes of this clause, the term "employment" shall include service constituting employment under any employment security law of another state or of the federal government;*

(b) The amount of any payment made to, or on behalf of, an employee under a plan or system established by an employer which makes provision for his employees generally or for a class or classes of his employees (including any amount paid by an employer for insurance or annuities, or into a fund, to provide for any such payment), on account of (1) retirement or (2) sickness or accident disability or (3) medical and hospitalization expenses in connection with sickness or accident disability, or (4) death, provided the employee has not the option to receive, instead of provision for such death benefit, any part of such payment, or if such death benefit is insured, any part of the premium (or contributions to premiums) paid by his employer and has not the right, under the provisions of the plan or system or policy of insurance providing for such death benefit, to assign such benefit, or to receive a cash consideration in lieu of such benefit either upon his withdrawal from the plan or system providing for such benefit or upon termination of such plan or system or policy of insurance or of his employment with such employer;

(c) The payment by an employer (without deduction from the remuneration of the employee) (1) of the tax imposed upon an employee under section 3101 of the federal internal revenue code, or (2) of any payment required from an employee under a state unemployment compensation law, with respect to remuneration paid to an employee for domestic service in a private home of the employer or for agricultural labor;

(d) Any payments made to a former employee during the period of active military service in the armed forces of the United States by such employer, whether legally required or not;

(e) Any payment made to, or on behalf of, an employee or his beneficiary (1) from or to a trust described in section 401(a) of the federal internal revenue code which is exempt from tax under section 501(a) of such code at the time of such payment unless such payment is made to an employee of the trust as remuneration for services rendered as an employee and not as a beneficiary of the trust, or (2) under or to an annuity plan which, at the time of such payment is a plan described in section 403(a) of the federal internal revenue code, or (c) under or to a bond purchase plan which, at the time of such payment, is a qualified bond purchase plan described in section 405(a) of the federal internal revenue code;

(f) On or before July 1 of each year the commissioner shall determine the average annual wage paid by employers subject to sections 268.03 to 268.24 in the following manner:

(1) The sum of the total monthly employment reported for the previous calendar year shall be divided by 12 to determine the average monthly employment;

(2) The sum of the total wages reported for the previous calendar year shall be divided by the average monthly employment to determine the average annual wage.

The average annual wage determined shall be effective for the calendar year next succeeding the determination.

Sec. 5. Minnesota Statutes 1982, section 268.04, subdivision 26, is amended to read:

Subd. 26. "Wage credits" means the amount of wages *actually or constructively* paid (AND), wages (DUE AND PAYABLE BUT NOT) *overdue and delayed beyond the usual time of payment and back pay* paid by or from an employer to an employee for insured work and tips and gratuities paid to an employee by a customer of an employer and accounted for by the employee to the employer except that wages earned in part-time employment by a student as an integral part of an occupational course of study, under a plan for vocational education accepted by the Minnesota department of education, shall not result in wage credits available for benefit purposes.

Sec. 6. Minnesota Statutes 1982, section 268.04, subdivision 29, is amended to read:

Subd. 29. "Credit week" is any week for which (THE) wages (WHICH HAVE BEEN) *or back pay, actually or constructively* paid (AND), wages (WHICH ARE DUE AND PAYABLE BUT NOT PAID) *overdue and delayed beyond the usual time of payment, and back pay* by or from one or more employers to an employee for insured work equal or exceed 30 percent of the average weekly wage computed to the nearest whole dollar. On or before June 30 of each year the commissioner shall determine the average weekly wage paid by employers subject to sections 268.03 to 268.24 in the following manner:

(a) The sum of the total monthly employment reported for the previous calendar year shall be divided by 12 to determine the average monthly employment;

(b) The sum of the total wages reported for the previous calendar year shall be divided by the average monthly employment to determine the average annual wage; and

(c) The average annual wage shall be divided by 52 to determine the average weekly wage.

The average weekly wage as so determined computed to the nearest whole dollar shall apply to claims for benefits which establish a benefit year which begins subsequent to December 31 of the year of the computation.

Sec. 7. Minnesota Statutes 1982, section 268.04, is amended by adding a subdivision to read:

Subd. 33. [BACK PAY.] "Back pay" means a retroactive payment of money by an employer to an employee or former employee for lost wages because of the employer's noncompliance with a state or federal law or a collective bargaining agreement as determined in an arbitration award, administrative or judicial decision, or negotiated settlement. The period to which the payment shall be applied shall commence immediately following the last day of work or as specified in the arbitration award, administrative or judicial decision, or negotiated settlement.

Sec. 8. Minnesota Statutes 1982, section 268.05, subdivision 5, is amended to read:

Subd. 5. [PAYMENT OF EXPENSES OF ADMINISTRATION.] (1) Money credited to the account of this state in the unemployment trust fund by the secretary of the treasury of the United States of America pursuant to section 903 of the Social Security Act, as amended, may be requisitioned and used for the payment of expenses incurred for the administration of Laws 1957, Chapter 883 pursuant to a specific appropriation by the legislature, provided that the expenses are incurred and the money is requisitioned after the enactment of an appropriation law which:

(a) Specifies the purposes for which such money is appropriated and the amounts appropriated therefor.

(b) Limits the period within which such money may be obligated to a period ending not more than two years after the date of the enactment of the appropriation law, and

(c) Limits the amount which may be obligated during any twelve-month period beginning on July 1 and ending on the next June 30 to an amount which does not exceed the amount by which (i) the aggregate of the amounts credited to the account of this state pursuant to section 903 of the Social Security Act, as amended, during the same twelve-month period and the (24) 34 preceding twelve-month periods, exceeds (ii) the aggregate of the amounts used pursuant to this subdivision and charged against the amounts credited to the account of this state during any of such (25) 35 twelve-month periods. For the purposes of this subdivision, amounts used during any such twelve-month period shall be charged against equivalent amounts which were first credited and which are not already so charged; except that no amount obligated for administration during any such twelve-month period may be charged against any amount credited during such a twelve-month period earlier than the 24th preceding such period.

(2) Money credited to the account of this state pursuant to section 903 of the Social Security Act, as amended, may not be withdrawn or used except for the payment of benefits and for the payment of expenses for the administration of Laws 1957, Chapter 883 and of public employment offices pursuant to this subdivision. *Any moneys used for the payment of benefits may be restored for appropriation and use for administrative expenses upon request of the governor, under section 903(c) of the Social Security Act.*

(3) Money requisitioned for the payment of expenses of administration pursuant to this subdivision shall be deposited in the employment services administration fund, but, until expended, shall remain a part of the unemployment fund. The commissioner shall maintain a separate record of the deposit, obligation, expenditure, and return of funds so deposited. If any money so deposited is, for any reason, not to be expended for the purpose for which it was appropriated, or, if it remains unexpended at the end of the period specified by the law appropriating such money, it shall be withdrawn and returned to the secretary of the treasury of the United States for credit to this state's account in the unemployment trust fund.

Sec. 9. Minnesota Statutes 1982, section 268.06, subdivision 1, is amended to read:

Subdivision 1. [PAYMENTS.] (1) Contributions shall accrue and become payable by each employer for each calendar year in which he is subject to sections 268.03 to 268.24 with respect to wages (as defined in section 268.04, subdivision 25) for employment (, EXCEPT THAT CONTRIBUTIONS SHALL NOT BE PAYABLE AFTER DECEMBER 31, 1974 UPON PUBLIC SERVICE WAGES. "PUBLIC SERVICE WAGES" ARE REMUNERATION FOR SERVICES PERFORMED IN A PUBLIC SERVICE JOB TO THE EXTENT THAT SUCH REMUNERATION IS PAID WITH FUNDS PROVIDED UNDER THE COMPREHENSIVE EMPLOYMENT AND TRAINING ACT OF 1973 AND TO THE EXTENT THAT THE UNEMPLOYMENT COMPENSATION FUND IS REIMBURSED FOR BENEFITS BASED UPON SAID PUBLIC SERVICE WAGES PURSUANT TO SECTION 221 OF UNITED STATES PUBLIC LAW 94-444). Such contributions shall become due and be paid by each employer to the department of economic security for the fund in accordance with such regulations as the commissioner may prescribe, and shall not be deducted, in whole or in part, from the wages of individuals in such employer's employ. No rule of the commissioner shall be put in force which will permit the payment of such contributions at a time or under conditions which will not allow the employer to take credit for such contribution against the tax imposed by section 3301 of the Internal Revenue Code.

(2) In the payment of any contribution, a fractional part of a cent shall be disregarded unless it amounts to one-half cent or more in which case it shall be increased to one cent.

(3) When the contribution rate applied to an employer's taxable payroll for any given calendar quarter results in a computed contribution of less than \$1, the contribution shall be disregarded.

Sec. 10. Minnesota Statutes 1982, section 268.06, subdivision 2, is amended to read:

Subd. 2. [RATES.] Each employer (WHO IS NOT ELIGIBLE FOR AN EXPERIENCE RATIO OR WHO HAS AN EXPERIENCE RATIO OF ONE-TENTH OF ONE PERCENT OR MORE AS COMPUTED IN SUBDIVISION 6) shall pay contributions equal to two and seven-tenths percent for each calendar year prior to 1985 and 5-4/10 percent for 1985 and each subsequent calendar year of wages paid and wages overdue and delayed beyond the usual time of payment from him with respect to employment occurring during each calendar year, except as may be otherwise prescribed in subdivisions 3a and 4. Each employer who has an experience ratio of less than one-tenth of one percent shall pay contributions on only the first \$8,000 in wages paid and wages overdue and delayed beyond the usual time of payment to each employee with respect to employment occurring during each calendar year.

Sec. 11. Minnesota Statutes 1982, section 268.06, subdivision 3a, is amended to read:

Subd. 3a. [RATE FOR NEW EMPLOYERS.] Notwithstanding the provisions of subdivision 2, each employer, who becomes subject to this law, shall pay contributions at a rate:

(a) Not exceeding two and seven-tenths percent, that is the higher of (1) one percent and (2) the state's three-year benefit cost rate for the 36 consecutive month period immediately preceding July 1 of each year for each employer who becomes subject to this law prior to January 1, 1984. For purposes of this clause, the state's three-year benefit cost rate shall be computed annually and shall be derived by dividing the total dollar amount of benefits paid to claimants under this law during the 36 consecutive calendar months immediately preceding July 1 of each year by the total dollar amount of wages subject to contributions under this law during the same period. The rate so determined shall be applicable for the calendar year next succeeding each computation date.

(b) Not exceeding 2-7/10 percent, that is the higher of (1) one percent and (2) the state's four-year benefit cost rate for the 48 consecutive month period immediately preceding July 1 of each year for each employer, except employers in the construc-

tion industry, as determined by the commissioner, (PRINCIPALLY EMPLOYING LABORERS AND CONSTRUCTION TRADESMEN,) who becomes subject to this law subsequent to December 31, 1983 and prior to January 1, 1985. For purposes of this clause, the state's four-year benefit cost rate shall be computed and derived by dividing the total dollar amount of benefits paid to claimants under this law during the 48 consecutive calendar months immediately preceding July 1, 1983 by the total dollar amount of wages subject to contributions under this law during the same period. The rate so determined shall be applicable for the calendar year 1984.

Each construction employer described above who becomes subject to chapter 268 shall pay contributions at a rate, not exceeding 7.5 percent, that is the higher of (1) one percent, or (2) the state's four-year benefit cost rate for construction employers for the 48 consecutive month period immediately preceding July 1, 1983. For purposes of this clause, the state's four-year benefit cost rate shall be computed and derived by dividing the total dollar amount of benefits paid to claimants of construction employers, as determined by the commissioner, during the 48 consecutive calendar months immediately preceding July 1, 1983 by the total dollar amount of wages of construction employers subject to contributions during the same period. The rate so determined shall be applicable for the calendar year 1984.

(c) Not exceeding $(2-7/10)$ $5-4/10$ percent, that is the higher of (1) one percent and (2) the state's five-year benefit cost rate for the 60 consecutive month period immediately preceding July 1, 1984 and each year thereafter for each employer, except employers in the construction industry, as determined by the commissioner (, PRINCIPALLY EMPLOYING LABORERS AND CONSTRUCTION TRADESMEN,) who becomes subject to this law on January 1, 1985 and thereafter. For purposes of this clause, the state's five-year benefit cost rate shall be computed annually and shall be derived by dividing the total dollar amount of benefits paid to claimants under this law during the 60 consecutive calendar months immediately preceding July 1, 1984 and each year thereafter by the total dollar amount of wages subject to contributions under this law during the same period. The rate so determined shall be applicable for the calendar year next succeeding each computation date.

Each construction employer described above who becomes subject to this chapter shall pay contributions at a rate, not exceeding 7.5 percent, that is the higher of (1) one percent, or (2) the state's five-year benefit cost rate for construction employers for the 60 consecutive month period immediately preceding July 1, 1984 and each year thereafter. For purposes of this clause, the state's five-year benefit cost rate shall be computed annually and shall be derived by dividing the total dollar amount of benefits paid to claimants of construction employers, as determined by the commissioner, during the 60 consecutive calendar months immediately preceding July 1, 1984 and each year thereafter by

the total dollar amount of wages of construction employers subject to contributions during the same period. The rate so determined shall be applicable for the calendar year next succeeding each computation date.

Sec. 12. Minnesota Statutes 1982, section 268.06, subdivision 5, is amended to read:

Subd. 5. [BENEFITS CHARGED AS AND WHEN PAID.] Benefits paid to an individual pursuant to a valid claim shall be charged against the account of his employer as and when paid, except that benefits paid to an individual who earned base period wages for part time employment shall not be charged to an employer that is liable for payments in lieu of contributions or to the experience rating account of an employer if the employer: (1) provided weekly base period part time employment; (2) continues to provide weekly employment equal to at least 90 percent of the part time employment provided in the base period; and (3) is an interested party because of the individual's loss of other employment. The amount of benefits so chargeable against each base period employer's account shall bear the same ratio to the total benefits paid to an individual as the base period wage credits of the individual earned from such employer bear to the total amount of base period wage credits of the individual earned from all his base period employers.

In making computations under this provision, the amount of wage credits if not a multiple of \$1, shall be computed to the nearest multiple of \$1.

(AN EMPLOYER'S ACCOUNT SHALL NOT BE CHARGED WITH RESPECT TO BENEFITS PAID TO ANY INDIVIDUAL WHOSE BASE PERIOD WAGE CREDITS INCLUDE WAGES FOR PREVIOUSLY UNCOVERED SERVICES AS DEFINED IN SECTION 268.07, SUBDIVISION 4 TO THE EXTENT THAT THE UNEMPLOYMENT COMPENSATION FUND IS REIMBURSED FOR SUCH BENEFITS PURSUANT TO SECTION 121 OF UNITED STATES PUBLIC LAW 94-566.)

Benefits shall not be charged to an employer that is liable for payments in lieu of contributions or to the experience rating account of an employer for unemployment that is directly caused by a major natural disaster declared by the president pursuant to section 102 (2) of the Disaster Relief Act of 1974 (42 U.S.C. 5122 (2)), if the unemployed individual would have been eligible for disaster unemployment assistance with respect to that unemployment but for the individual's receipt of unemployment insurance benefits.

Sec. 13. Minnesota Statutes 1982, section 268.06, subdivision 20, is amended to read:

Subd. 20. [PROTEST, REVIEW, REDETERMINATION, APPEAL.] A review of the charges made to an employer's account as set forth in the notice of charges referred to in subdivision 18 and a review of an employer's contribution rate as set forth in the notice of his rate for any calendar year as provided in subdivision 19, may be had by such employer if he files with the commissioner a written protest setting forth his reasons therefor within 30 days from the date of the mailing of the notice of charges or contribution rate to him, which date shall appear on such notice. Upon receipt of such protest the commissioner shall refer the matter to an official designated by him to review the charges appearing on such notice appealed from or the computations of the protesting employer's rate, as the case may be, to determine whether or not there has been any clerical error or error in computation in either case, and he shall either affirm or make a redetermination rectifying said charges or rate as the case may be, and a notice of such affirmation or redetermination shall immediately be mailed to said employer. If the employer is not satisfied with such affirmation or redetermination, he may appeal therefrom by filing a notice thereof with the department within ten days after the date of mailing appearing upon said redetermination. Upon the receipt of such appeal the commissioner shall refer the matter to a referee for a hearing and after opportunity for a fair hearing, the referee shall affirm, modify or set aside the original determination with its affirmation or the redetermination, as appears just and proper. The commissioner may at any time upon his own motion correct any clerical error of the department resulting in charges against an employer's account or any error in the computation of an employer's contribution rate. The referee may order the consolidation of two or more appeals whenever, in his judgment, such consolidation will not be prejudicial to any interested party. At any such hearing a written report of any employee of the department which has been authenticated shall be admissible in evidence. Appeals from the decision of the referee shall be (MADE IN THE SAME MANNER) as (APPEALS FROM THE DECISION OF AN APPEAL TRIBUNAL) *provided by section 268.10, subdivision 5.* (DECISIONS OF THE COMMISSIONER MADE UPON APPEAL FROM A DECISION OF THE REFEREE SHALL BE REVIEWED BY THE SUPREME COURT UPON CERTIORARI IN ACCORDANCE WITH THE PROCEDURE OUTLINED THEREFOR WITH RESPECT TO BENEFIT DECISIONS.)

Sec. 14. Minnesota Statutes 1982, section 268.06, subdivision 28, is amended to read:

Subd. 28. [PAYMENT TO FUND BY NONPROFIT CORPORATION AND ALLOCATION OF BENEFIT COSTS BY BASE PERIOD REIMBURSERS.] (1) Benefits paid to employees of nonprofit organizations shall be financed in accordance with the provisions of this subdivision. For the purpose of this subdivision, a nonprofit organization is an organization

(or group of organizations) described in section 501(c) (3) of the United States internal revenue code which is exempt from income tax under section 501(a) of such code. Any nonprofit organization which, pursuant to section 268.04, subdivision 10, clause (9) is, or becomes, subject to this law on or after January 1, 1972, shall pay contributions under the provisions of section 268.06, subdivision 1, unless it elects, in accordance with this paragraph, to pay to the commissioner for the unemployment fund an amount equal to the amount of regular benefits and the state share of the extended benefits charged, that is attributable to service in the employ of such nonprofit organization, to individuals for weeks of unemployment which begin during the effective period of such election.

(a) (ANY NONPROFIT ORGANIZATION WHICH IS, OR BECOMES, SUBJECT TO THIS LAW ON JANUARY 1, 1972, MAY ELECT TO BECOME LIABLE FOR PAYMENTS IN LIEU OF CONTRIBUTIONS FOR A PERIOD OF NOT LESS THAN TWO CALENDAR YEARS BEGINNING WITH JANUARY 1, 1972; PROVIDED IT FILES WITH THE COMMISSIONER A WRITTEN NOTICE OF ITS ELECTION WITHIN THE 30 DAY PERIOD IMMEDIATELY FOLLOWING SUCH DATE.)

((B)) Any nonprofit organization which becomes subject to this law after January 1, 1972, may elect to become liable for payments in lieu of contributions for a period of not less than two calendar years beginning with the date on which such subjectivity begins by filing a written notice of its election with the commissioner not later than 30 days immediately following the date of the determination of such subjectivity.

((C)) (b) any nonprofit organization which makes an election in accordance with clause (a) or clause (b) will continue to be liable for payments in lieu of contributions until it files with the commissioner a written notice terminating its election not later than 30 days prior to the beginning of the calendar year for which such termination shall first be effective.

((D)) (c) Any nonprofit organization which has been paying contributions under this law for a period subsequent to January 1, 1972, may change to a reimbursable basis by filing with the commissioner not later than 30 days prior to the beginning of any calendar year a written notice of election to become liable for payments in lieu of contributions. Such election shall not be terminable by the organization for that and the next year.

((E)) (d) The commissioner may for good cause extend the period within which a notice of election, or a notice of termination, must be filed and may permit an election to be retroactive but not any earlier than with respect to benefits paid after December 31, 1971.

(F) (e) The commissioner, in accordance with such regulations as he may prescribe, shall notify each nonprofit organization of any determination which he may make of its status as an employer and of the effective date of any election which it makes and of any termination of such election. Such determinations shall be final unless reviewed in accordance with the provisions of section 268.12, subdivision 13.

(2) Payments in lieu of contributions shall be made at the end of each calendar quarter, or at the end of any other period as determined by the commissioner and become due on the last day of the month next following the month in which the notice of benefits charged is mailed to the employer. The commissioner shall bill each nonprofit organization (or group of such organizations) which has elected to make payments in lieu of contributions for an amount equal to the full amount of regular benefits plus one-half of the amount of extended benefits charged during such quarter or other prescribed period that is attributable to service in the employ of such organization.

(3) Past due payments of amounts in lieu of contributions shall be subject to the same interest charges and collection procedures that apply to past due contributions under sections 268.16 and 268.161.

(4) If any nonprofit organization is delinquent in making payments in lieu of contributions as required under this subdivision, the commissioner may terminate such organization's election to make payments in lieu of contributions as of the beginning of the next taxable year, and such termination shall be effective for that and the following taxable year.

Sec. 15. Minnesota Statutes 1982, section 268.06, subdivision 29, is amended to read:

Subd. 29. [GROUP ACCOUNTS.] Two or more employers that have become liable for payments in lieu of contributions may file a joint application to the commissioner for the establishment of a group account for the purpose of sharing the cost of benefits paid that are attributable to service in the employ of such employers. Each such application shall identify and authorize a group representative to act as the group's agent for the purposes of this subdivision. Upon his approval of the application, the commissioner shall establish a group account for such employers effective as of the beginning of the calendar year in which the application is received by the commissioner and shall notify the group's representative of the effective date of the account. Such account shall remain in effect for not less than two years and thereafter until terminated at the discretion of the commissioner or upon application by the group at least 30 days prior to the end of such two year period or 30 days prior to January 1 of any calendar year subsequent to such two cal-

endar years. (UPON ESTABLISHMENT OF THE ACCOUNT,) Each member of the group shall be *jointly and severally* liable for payments in lieu of contributions (IN THE AMOUNT THAT BEARS THE SAME RATIO TO THE TOTAL BENEFITS PAID THAT ARE ATTRIBUTABLE TO SERVICE PERFORMED IN THE EMPLOY OF ALL MEMBERS OF THE GROUP AS THE TOTAL WAGE CREDITS FOR SERVICE IN EMPLOYMENT BY SUCH MEMBER BEAR TO THE TOTAL DURING THE BASE PERIOD FOR SERVICE PERFORMED IN THE EMPLOY OF ALL MEMBERS OF THE GROUP) *for all benefits paid based upon wage credits earned with a group member during the period the group account was in effect.* The commissioner shall prescribe such regulations as he deems necessary with respect to applications for establishment, maintenance and termination of group accounts that are authorized by this subdivision, for addition of new members to, and withdrawal of active members from, such account, and for the determination of the amounts that are payable under this subdivision by members of the group and the time and manner of such payments.

Sec. 16. [268.061] [SURCHARGE; EMERGENCY INTEREST REPAYMENT FUND.]

Subdivision 1. [AMOUNT.] Each employer, except those making payments in lieu of contributions pursuant to section 268.06, subdivisions 25, 26, 27, and 28, shall pay an annual surcharge of 10 percent of contributions paid or due and payable for the calendar year of 1982 and for each calendar year thereafter. The commissioner shall notify employers of the contributions upon which the surcharge is based and the amount of surcharge payable no later than August 1, 1983, and August 1 for each taxable year thereafter. The surcharge for taxable year 1982 shall be paid no later than August 31, 1983, and by the 31st day of August each taxable year thereafter. Payments due under this subdivision are subject to the collection provisions of sections 268.16 and 268.161. The surcharges paid under this subdivision are not contributions for the purposes of section 268.06, subdivision 6. The commissioner may temporarily reduce the amount of surcharge imposed by this section when there are sufficient funds raised by the surcharge to make the interest payment required on federal funds advanced to the state under section 1202 of the Social Security Act.

Subd. 2. [EMERGENCY INTEREST REPAYMENT FUND, CREATION.] A special fund to be known as the emergency interest repayment fund is created in the state treasury. The special fund is separate and distinct from any fund or account created for any other purposes of sections 268.03 to 268.24. All collections from the surcharge shall be deposited in the special fund. The special fund shall be used only to pay interest accruing on funds advanced from the federal government pursuant to section 1202 of the Social Security Act. All moneys in this fund

shall be deposited, administered, and disbursed in the same manner and under the same conditions and requirements as are provided by law for the other special funds in the state treasury, except that all interest resulting from the investment or deposit of these funds shall accrue to the emergency fund for the purposes of the fund.

Subd. 3. [REPORT TO LEGISLATURE.] On January 1, 1984, and on each January 1 thereafter the commissioner shall report to the legislature on the status of the outstanding funds advanced pursuant to section 1202 of the Social Security Act, including the interest charged on those funds. When all advanced funds and the interest charged on those funds have been repaid to the federal government, the commissioner shall recommend appropriate action by the legislature relating to the termination of the emergency interest repayment fund and the disposition of any money still in the fund.

Sec. 17. Minnesota Statutes 1982, section 268.07, subdivision 2, is amended to read:

Subd. 2. [WEEKLY BENEFIT AMOUNT AND DURATION.] If the commissioner finds that an individual has earned 15, or more, credit weeks within the base period of employment in insured work with one or more employers, benefits shall be payable to such individual during his benefit year as follows:

(1) Weekly benefit amount shall be equal to 60 percent of the first \$85, 40 percent of the next \$85 and 50 percent of the remainder of the average weekly wage of such individual (.). *The amount so computed (TO THE NEAREST) if not a whole dollar shall be rounded down to the next lower dollar amount.* The maximum weekly benefit amount of claims for benefits which establish a benefit year subsequent to July 1, 1979 shall be $66 \frac{2}{3}$ percent of the average weekly wage, except as provided in clause (d).

On or before June 30 of each year the commissioner shall determine the average weekly wage paid by employers subject to sections 268.03 to 268.24 in the following manner:

(a) The sum of the total monthly employment reported for the previous calendar year shall be divided by 12 to determine the average monthly employment.

(b) The sum of the total wages reported for the previous calendar year shall be divided by the average monthly employment to determine the average annual wage.

(c) The average annual wage shall be divided by 52 to determine the average weekly wage.

The maximum weekly benefit amount as so determined computed to the nearest whole dollar shall apply to claims for benefits which establish a benefit year which begins subsequent to June 30 of each year.

(d) The maximum weekly benefit amount for claims for benefits which establish a benefit year subsequent to June 30, 1982, and prior to July 1, 1983, shall be \$184.

The maximum weekly benefit amount for claims for benefits which establish a benefit year subsequent to June 30, 1983, and prior to July 1, 1984, shall be \$191.

The maximum weekly benefit amount for claims for benefits which establish a benefit year subsequent to June 30, 1984, and prior to July 1, 1985, shall be \$198.

(2) An individual's maximum amount of regular benefits payable in a benefit year shall not exceed the lesser of (a) 26 times his weekly benefit amount or (b) 70 percent of the number of credit weeks earned by such an individual computed to the nearest whole week times his weekly benefit amount.

(3) Each eligible individual who is unemployed in any week shall be paid with respect to such week a benefit in an amount equal to his weekly benefit amount less that part of his earnings, including holiday pay, payable to him with respect to such week which is in excess of \$25 or \$200 for earnings from service in the national guard or a United States military reserve unit. *Jury duty pay is not considered as earnings and shall not be deducted from benefits paid.* Such benefit, if not a (MULTIPLE OF \$1,) whole dollar amount shall be (COMPUTED) rounded down to the next (HIGHER MULTIPLE OF \$1) lower dollar amount.

(4) The provisions of this subdivision shall apply to claims for benefits which establish a benefit year subsequent to June 30, (1982) 1983.

Sec. 18. Minnesota Statutes 1982, section 268.07, subdivision 3, is amended to read:

Subd. 3. [WHEN WAGE CREDITS ARE NOT AVAILABLE.] (1) No individual may receive benefits in a benefit year unless, subsequent to the beginning of the next preceding benefit year during which (HE RECEIVED) benefits were received, (HE) the individual performed service in insured work as defined in section 268.04, subdivision 17, and earned remuneration for (SUCH) the service in an amount equal to not less than the minimum wage credits required to qualify for benefits.

(2) No employer who provided 90 percent or more of the wage credits in a claimant's base period shall be charged for

benefits based upon earnings of (SUCH) *the* claimant during a subsequent base period unless (HE) *the employer* has employed (SUCH) *the* claimant in any part of (SUCH) *the* subsequent base period.

(3) Wages paid by an employing unit may not be used for benefit purposes by any individual who (a) individually or jointly with a spouse, parent or child owns or controls directly or indirectly 25 percent or more interest in the employing unit; or (b) is the spouse, parent or minor child of any individual who owns or controls directly or indirectly 25 percent or more interest in the employing unit; and (c) is not permanently separated from employment.

This clause (SHALL BE) *is* effective when the individual has been paid four times the individual's weekly benefit amount in the current benefit year.

((4) WAGES PAID BY AN EMPLOYING UNIT MAY NOT BE USED FOR BENEFIT PURPOSES DURING A BENEFIT YEAR COMMENCING AFTER OCTOBER 1, 1982, IF THE TOTAL AMOUNT OF WAGE CREDITS IN THE BASE PERIOD EQUAL OR EXCEED THREE TIMES THE AVERAGE ANNUAL WAGE, AS DETERMINED IN SUBDIVISION 2, IN THE SECOND YEAR PRECEDING THE CALENDAR YEAR IN WHICH THE INDIVIDUAL'S VALID CLAIM WAS ESTABLISHED.)

((5)) (4) Wages paid in seasonal employment, as defined in subdivision 2a, are not available for benefit purposes during weeks in which there is no seasonal employment available with the employer.

Sec. 19. Minnesota Statutes 1982, section 268.071, subdivision 3, is amended to read:

Subd. 3. [ELIGIBILITY REQUIREMENTS FOR EXTENDED BENEFITS.] An individual shall be eligible to receive extended benefits with respect to any week of unemployment in his eligibility period only if the commissioner finds that with respect to such week:

(1) He is an "exhaustee" as defined in subdivision 1, clause (9);

(2) He has satisfied the requirements of this law for the receipt of regular benefits that are applicable to individuals claiming extended benefits, including not being subject to a disqualification for the receipt of benefits, *except that an individual disqualified for benefits pursuant to section 268.09, subdivision 1, clause (6) is not eligible for extended benefits unless the individual has, subsequent to the disciplinary suspension, earned*

at least four times his or her weekly extended benefit amount; and

(3) He has, during his base period earned wage credits available for benefit purposes of not less than 40 times his weekly benefit amount as determined pursuant to section 268.07, subdivision 2.

Sec. 20. Minnesota Statutes 1982, section 268.08, subdivision 1, is amended to read:

Subdivision 1. [ELIGIBILITY CONDITIONS.] An individual shall be eligible to receive benefits with respect to any week of unemployment only if the commissioner finds that *the individual*:

(1) (HE) has registered for work at and thereafter has continued to report to an employment office, or agent of (SUCH) *the office*, in accordance with (SUCH REGULATIONS AS) *rules* the commissioner may (PRESCRIBE) *adopt*; except that the commissioner may by (REGULATION) *rule* waive or alter either or both of the requirements of this clause as to types of cases or situations with respect to which (HE) *the commissioner* finds that compliance with (SUCH) *the requirements* would be oppressive or would be inconsistent with the purposes of sections 268.03 to 268.24;

(2) (HE) has made a claim for benefits in accordance with (SUCH REGULATIONS) *rules* as the commissioner may (PRESCRIBE) *adopt*; and

(3) (HE) was able to work and was available for work, and was actively seeking work (, PROVIDED THAT). *The individual's* weekly benefit amount shall be reduced one-fifth for each day (SUCH) *the individual* is unable to work or *is* unavailable for work (; PROVIDED FURTHER THAT). Benefits shall not be denied by application of this clause to an individual who is in training with the approval of the commissioner or in training approved pursuant to section 236 of the Trade Act of 1974, as amended;

An individual (SHALL BE) *is* deemed unavailable for work with respect to any week which occurs in a period when (HE) *the individual* is a full-time student in attendance at, or on vacation from an established school, college or university unless a majority of the credit weeks earned in (HIS) *the base period* were for services performed during weeks in which (HE) *the student* was attending school as a full-time student.

An individual serving as a juror shall be considered as available for work and actively seeking work on each day the individual is on jury duty.

(4) (HE) has been unemployed for a waiting period of one week during which (HE) *the individual* is otherwise eligible for benefits under sections 268.03 to 268.24 (, PROVIDED,). However, payment for the waiting week shall be made to (SUCH) *the individual* after (HE) *the individual* has qualified for and been paid benefits for four weeks of unemployment in a benefit year which period of unemployment is terminated because of (SUCH) *the individual's* return to employment. No individual (SHALL BE) is required to serve a waiting period of more than one week within the one year period subsequent to filing a valid claim and commencing with the week within which (SUCH) *the valid claim* was filed.

Sec. 21. Minnesota Statutes 1982, section 268.08, subdivision 3, is amended to read:

Subd. 3. [NOT ELIGIBLE.] An individual shall not be eligible to receive benefits for any week with respect to which he is receiving, has received, or has filed a claim for remuneration in an amount equal to or in excess of his weekly benefit amount in the form of

(1) termination, severance, or dismissal payment or wages in lieu of notice whether legally required or not; provided that if a termination, severance, or dismissal payment is made in a lump sum, the employer may allocate such lump sum payment over a period equal to the lump sum divided by the employee's regular pay while employed by such employer; provided any such payment shall be applied for a period immediately following the last day of work but not to exceed 28 calendar days; or

(2) vacation allowance paid directly by the employer for a period of requested vacation, including vacation periods assigned by the employer under the provisions of a collective bargaining agreement, or uniform vacation shutdown; or

(3) compensation for loss of wages under the workers' compensation law of this state or any other state or under a similar law of the United States, or under other insurance or fund established and paid for by the employer; or

(4) 50 percent of the pension payments from any fund, annuity or insurance maintained or contributed to by a base period employer including the armed forces of the United States if the employee contributed to the fund, annuity or insurance and all of the pension payments if the employee did not contribute to the fund, annuity or insurance; or

(5) 50 percent of a primary insurance benefit under Title II of the social security act as amended, or similar old age benefits under any act of congress or this state or any other state.

Provided, that if such remuneration is less than the benefits which would otherwise be due under sections 268.03 to 268.24, he shall be entitled to receive for such week, if otherwise eligible, benefits reduced by the amount of such remuneration; provided, further, that if the appropriate agency of such other state or the federal government finally determines that he is not entitled to such benefits, this provision shall not apply. *If the computation of reduced benefits, required by this subdivision, is not a whole dollar amount, it shall be rounded down to the next lower dollar amount.*

Sec. 22. Minnesota Statutes 1982, section 268.08, is amended by adding a subdivision to read:

Subd. 3a. [RECEIPT OF BACK PAY.] Back pay received by an individual with respect to any weeks of unemployment occurring in the 104 weeks immediately preceding the payment of the back pay shall be deducted from benefits paid for those weeks.

The amount deducted shall not reduce the benefits for which the individual is otherwise eligible for that week below zero. If the amount of benefits after the deduction of back pay is not a whole dollar amount, it shall be rounded to the next lower dollar.

If a deduction from back pay is paid to the fund for benefits deductible under this subdivision, the payment: (a) shall be applied to benefit overpayments resulting from the payment of the back pay; (b) credited to the individual's maximum amount of benefits payable in a benefit year which includes the weeks of unemployment for which back pay was deducted; and (c) benefit charges for those weeks shall be removed from the employer's account as of the calendar quarter in which the fund receives payment.

Payments to the fund under this subdivision are made by the employer on behalf of the individual and are not voluntary contributions under section 268.06, subdivision 24.

Sec. 23. Minnesota Statutes 1982, section 268.08, subdivision 6, is amended to read:

Subd. 6. [SERVICES PERFORMED FOR STATE, MUNICIPALITIES OR CHARITABLE CORPORATION.] (EFFECTIVE JANUARY 1, 1978) Benefits based on service in employment defined in section 268.04, subdivision 12, clauses (7), (8) and (9), (SHALL BE) are payable in the same amount, on the same terms and subject to the same conditions as benefits payable on the basis of other service subject to this chapter; except that

(a) (WITH RESPECT TO WEEKS OF UNEMPLOYMENT AFTER DECEMBER 31, 1977,) Benefits based upon service

performed in an instructional, research, or principal administrative capacity for an institution of higher education or a public school, or a nonpublic school or the Minnesota school for the deaf or Minnesota braille and sight saving school, or in a public or nonpublic school for an educational cooperative service unit established under section 123.58, or any other educational service agency as defined in section 3304 (a) (6) (A) (IV) of the federal unemployment tax act, shall not be paid for any week of unemployment commencing during the period between two successive academic years or terms, or during a similar period between two regular but not successive terms, or during a period of paid sabbatical leave provided for in the individual's contract, to any individual if the individual performs the services in the first of the academic years or terms and if there is a contract or a reasonable assurance that the individual will perform services in any such capacity for any institution of higher education, public school, nonpublic school, state deaf and sight saving schools, an educational cooperative service unit, or other educational service agency, (OR DEVELOPMENTAL ACHIEVEMENT CENTER) in the second of the academic years or terms, and.

(b) With respect to service performed (AFTER DECEMBER 31, 1977) in any capacity (,) other than those capacities described in clause (a) of this subdivision, for *an institution of higher education, or a public school or nonpublic school, or the Minnesota school for the deaf or Minnesota braille and sight saving school, or in a public or nonpublic school or for an educational cooperative service unit established under section 123.58, or any other educational service agency as defined in section 3304 (a) (6) (A) (IV) of the federal unemployment tax act,* benefits shall not be paid on the basis of these services to any individual for any week which commences during a period between two successive academic years or terms if the individual performs the services in the first of the academic years or terms and there is a reasonable assurance that the individual will perform the services in the second of the academic years or terms (,). *If benefits are denied to any individual under this clause and the individual was not offered an opportunity to perform the services in the second of the academic years or term, the individual shall be entitled to a retroactive payment of benefits for each week in which the individual filed a timely claim for benefits, but the claim was denied solely because of this clause; and*

(c) With respect to (ANY) services described in (CLAUSE) clauses (a) or (b), benefits payable on the basis of the services shall not be paid to any individual for any week which commences during an established and customary vacation period or holiday recess if the individual performs the services in the period immediately before the vacation period or holiday recess, and there is a reasonable assurance that the individual will per-

form the services in the period immediately following the vacation period or holiday recess.

Sec. 24. Minnesota Statutes 1982, section 268.08, is amended by adding a subdivision to read:

Subd. 9. [SERVICES FOR CERTAIN CONTRACTORS.] Benefits based upon services performed for an employer are subject to subdivision 6, clauses (b) and (c) if:

(a) the employment was provided pursuant to a contract between the employer and a public or private school;

(b) the contract was for services which the public or private school could have had performed by its employees;

(c) the employment was not as defined in section 268.04, subdivision 12, clauses (7), (8), and (9); and

(d) the individual is notified in writing of the provisions of this subdivision while employed in 1983 or prior to or at the time of commencing the employment.

Sec. 25. Minnesota Statutes 1982, section 268.09, subdivision 1, is amended to read:

Subdivision 1. [DISQUALIFYING CONDITIONS.] An individual separated from employment under clauses (1), (2) (AND), or (3) shall be disqualified for waiting week credit and benefits. *For separations under clauses (1) and (2), the disqualification shall continue until 4 calendar weeks have elapsed following his separation and (HE) the individual has earned four times his weekly benefit amount in insured work.*

(1) [VOLUNTARY LEAVE.] The individual voluntarily and without good cause attributable to the employer discontinued his employment with such employer. For the purpose of this clause, a separation from employment by reason of its temporary nature or for inability to pass a test or for inability to meet performance standards necessary for continuation of employment or based solely on a provision in a collective bargaining agreement by which an individual has vested discretionary authority in another to act in behalf of the individual shall not be deemed voluntary.

A separation shall be for good cause attributable to the employer if it occurs as a consequence of sexual harassment. Sexual harassment means unwelcome sexual advances, requests for sexual favors, sexually motivated physical contact or other conduct or communication of a sexual nature when: (1) the employee's submission to such conduct or communication is made a term or condition of the employment, (2) the employee's sub-

mission to or rejection of such conduct or communication is the basis for decisions affecting employment, or (3) such conduct or communication has the purpose or effect of substantially interfering with an individual's work performance or creating an intimidating, hostile, or offensive working environment and the employer knows or should know of the existence of the harassment and fails to take timely and appropriate action.

(2) [DISCHARGE FOR MISCONDUCT.] The individual was discharged for misconduct, not amounting to gross misconduct connected with his work or for misconduct which interferes with and adversely affects his employment.

An individual shall not be disqualified under clauses (1) and (2) of this subdivision under any of the following conditions:

(a) The individual voluntarily discontinued his employment to accept work offering substantially better conditions of work or substantially higher wages or both;

(b) The individual is separated from employment due to his own serious illness provided that such individual has made reasonable efforts to retain his employment;

An individual who is separated from his employment due to his illness of chemical dependency which has been professionally diagnosed or for which he has voluntarily submitted to treatment and who fails to make consistent efforts to maintain the treatment he knows or has been professionally advised is necessary to control that illness has not made reasonable efforts to retain his employment.

(c) The individual accepts work from a base period employer which involves a change in his location of work so that said work would not have been deemed to be suitable work under the provisions of subdivision 2 and within a period of 13 weeks from the commencement of said work voluntarily discontinues his employment due to reasons which would have caused the work to be unsuitable under the provision of said subdivision 2;

(d) The individual left employment because he had reached mandatory retirement age and was 65 years of age or older;

(e) The individual is terminated by his employer because he gave notice of intention to terminate employment within 30 days. This exception shall be effective only through the calendar week which includes the date of intended termination, provided that this exception shall not result in the payment of benefits for any week for which he receives his normal wage or salary which is equal to or greater than his weekly benefit amount;

(f) The individual is separated from employment due to the completion of an apprenticeship program, or segment thereof, approved pursuant to chapter 178;

(g) The individual voluntarily leaves part-time employment with a base period employer while continuing full-time employment if the individual attempted to return to part-time employment after being separated from the full-time employment, and if substantially the same part-time employment with the base period employer was not available for the individual.

(3) [DISCHARGE FOR GROSS MISCONDUCT.] The individual was discharged for gross misconduct connected with his work or gross misconduct which interferes with and adversely affects his employment (AND PROVIDED FURTHER THAT). *For a separation under this clause, the commissioner (IS EMPOWERED TO) shall impose a total disqualification for the benefit year and (TO) cancel (PART OR) all of the wage credits from the last employer from whom he was discharged for gross misconduct connected with his work.*

For the purpose of this clause "gross misconduct" (SHALL BE) is defined as misconduct involving assault and battery or the malicious destruction of property (OR THE THEFT OF MONEY OR PROPERTY OF A VALUE OF \$100 OR MORE) or arson or sabotage or embezzlement or any other act, *including theft*, the commission of which amounts to a felony or gross misdemeanor. *For an employee of a health care facility, gross misconduct also includes misconduct involving an act of patient or resident abuse as defined in section 626.557, subdivision 2, clause (d).*

If an individual is convicted of a felony or gross misdemeanor for the same act or acts of misconduct for which the individual was discharged, the misconduct is conclusively presumed to be gross misconduct if it was connected with his work.

(4) [LIMITED OR NO CHARGE OF BENEFITS.] Benefits paid subsequent to an individual's separation under any of the foregoing clauses, excepting clauses (2) (c) and (2) (e), shall not be used as a factor in determining the future contribution rate of the employer from whose employment such individual separated.

Benefits paid subsequent to an individual's failure, without good cause, to accept an offer of suitable re-employment shall not be used as a factor in determining the future contribution rate of the employer whose offer of re-employment he failed to accept or whose offer of re-employment was refused solely due to the distance of the available work from his residence, the individual's own serious illness or his other employment at the time of the offer.

(5) An individual who was employed by an employer shall not be disqualified for benefits under this subdivision for any acts or omissions occurring after his separation from employment with the employer.

(6) [DISCIPLINARY SUSPENSIONS.] An individual shall be disqualified for waiting week credit and benefits for the duration of any disciplinary suspension of 30 days or less resulting from his own misconduct. Disciplinary suspensions of more than 30 days shall constitute a discharge from employment.

Sec. 26. Minnesota Statutes 1982, section 268.09, subdivision 2, is amended to read:

Subd. 2. [FAILURE TO APPLY FOR OR ACCEPT SUITABLE WORK OR RE-EMPLOYMENT.] An individual shall be disqualified for waiting week credit and benefits during the week of occurrence and until four calendar weeks have elapsed following his refusal or failure and he has earned four times his weekly benefit amount in insured work if the commissioner finds that he has failed, without good cause, either to apply for available, suitable work of which he was advised by the employment office, or the commissioner or to accept suitable work when offered him, or to return to his customary self-employment (if any) when so directed by the commissioner, or to accept (SUITABLE) *a base period employer's offer of re-employment (OFFERED BY A BASE PERIOD EMPLOYER) offering substantially the same or better hourly wages and conditions of work as were previously provided by that employer in his base period.*

(a) In determining whether or not any work is suitable for an individual, the commissioner shall consider the degree of risk involved to his health, safety, and morals, his physical fitness and prior training, his experience, his length of unemployment and prospects of securing local work in his customary occupation, and the distance of the available work from his residence.

(b) Notwithstanding any other provisions of sections 268.03 to 268.24, no work shall be deemed suitable, and benefits shall not be denied thereunder to any otherwise eligible individual for refusing to accept new work under any of the following conditions:

(1) if the position offered is vacant due directly to a strike, lockout, or other labor dispute;

(2) if the wages, hours, or other conditions of the work offered are substantially less favorable to the individual than those prevailing for similar work in the locality;

(3) if as a condition of being employed the individual would be required to join a union or to resign from or refrain from joining any bona fide labor organization;

(4) if the individual is in training with the approval of the commissioner.

Sec. 27. Minnesota Statutes 1982, section 268.10, subdivision 2, is amended to read:

Subd. 2. [EXAMINATION OF CLAIMS; DETERMINATION; APPEAL.] (1) An official, designated by the commissioner, shall promptly examine each claim for benefits filed to establish a benefit year pursuant to this section, and, on the basis of the facts found, shall determine whether or not such claims are valid, and if valid, the weekly benefit amount payable, the maximum benefit amount payable during the benefit year, and the date the benefit year terminates, and this determination shall be known as the determination of validity. Notice of the determination of validity or any redetermination as provided for in clause (4) shall be promptly given the claimant and all other interested parties. If within the time limits for filing a protest an (INTERESTED PARTY) employer notifies the department that an individual's weekly benefit amount as determined under section 268.07 exceeds the individual's weekly wages (WHILE EMPLOYED BY THE INTERESTED PARTY, THE) earned with the employer, the individual's weekly benefit amount shall be the lesser of (THE AMOUNT DERIVED BY DIVIDING THE TOTAL BASE PERIOD WAGES EARNED IN ALL CREDIT WEEKS BY THE NUMBER OF BASE PERIOD CREDIT WEEKS COMPUTED TO THE NEAREST WHOLE DOLLAR OR THE AMOUNT AS COMPUTED UNDER SECTION 268.07) (1) the weekly benefit amount as determined under section 268.07; or (2) the weekly benefit amount which is 50 percent of the quotient derived by dividing the total wage credits earned in the individual's base period credit weeks from all employers in insured work by the number of base period credit weeks. If within the time specified for the filing of wage and separation information as provided in subdivision 1, clause (2), the employer makes an allegation of disqualification or raises an issue of the chargeability to his account of benefits that may be paid on such claim, if the claim is valid, the issue thereby raised shall be promptly determined by said official and a notification of the determination delivered or mailed to the claimant and the employer. If an initial determination or an appeal tribunal decision or the commissioner's decision awards benefits, the benefits shall be paid promptly regardless of the pendency of any appeal period or any appeal or other proceeding which may thereafter be taken. Except as provided in clause (6), if an appeal tribunal decision modifies or reverses an initial determination awarding benefits, or if a commissioner's decision modifies or reverses an appeal decision awarding benefits, any benefits paid under the award of such initial determination or appeal tribunal decision shall be deemed erroneous payments.

(2) At any time within (15) 24 months from the date of the filing of a *valid* claim for benefits by an individual, an official of the department or any interested party or parties raises an issue of claimant's eligibility for benefits for any week or weeks in accordance with the requirements of the provisions of sections 268.03 to 268.24 or any official of the department or any interested party or parties or benefit year employer raises an issue of disqualification in accordance with the regulations of the commissioner, a determination shall be made thereon and a written notice thereof shall be given to the claimant and such other interested party or parties or benefit year employer. *A determination issued under this clause which denies benefits for weeks for which the claimant has previously been paid benefits is an overpayment of those benefits subject to section 268.18.*

(3) A determination issued pursuant to clauses (1) and (2) shall be final unless an appeal therefrom is filed by a claimant or employer within 15 days after the mailing of the notice of the determination to his last known address or personal delivery of the notice. Every notice of determination shall contain a prominent statement indicating in clear language the method of appealing the determination, the time within which such an appeal must be made, and the consequences of not appealing the determination. A timely appeal from a determination of validity in which the issue is whether an employing unit is an employer within the meaning of this chapter or whether services performed for an employer constitute employment within the meaning of this chapter shall be subject to the provisions of section 268.12, subdivision 13.

(4) At any time within (15) 24 months from the date of the filing of a *valid* claim for benefits by an individual, the commissioner on his own motion may reconsider a determination of validity made thereon and make a redetermination thereof if he finds that an error in computation or identity or the crediting of wage credits has occurred in connection therewith or if the determination was made as a result of a nondisclosure or misrepresentation of a material fact. *A determination or redetermination issued under this clause which denies benefits for weeks for which the claimant has previously been paid benefits is an overpayment of those benefits subject to section 268.18.*

(5) However, the commissioner may in his discretion refer any disputed claims directly to (THE APPEAL TRIBUNAL) a referee for hearing and determination in accordance with the procedure outlined in subdivision 3 and the effect and status of such determination in such a case shall be the same as though the matter had been determined upon an appeal to the tribunal from an initial determination.

(6) If (AN APPEAL TRIBUNAL) a referee's decision affirms an initial determination awarding benefits or the commissioner affirms an appeal tribunal decision awarding benefits,

the decision, if finally reversed, shall not result in a disqualification and benefits paid shall neither be deemed overpaid nor shall they be considered in determining any individual employer's future contribution rate under section 268.06.

Sec. 28. Minnesota Statutes 1982, section 268.10, subdivision 3, is amended to read:

Subd. 3. [APPEAL; HEARING.] Unless (SUCH) *an* appeal is withdrawn, the date for hearing before (AN APPEAL TRIBUNAL) *a referee* shall be set and notice of (SUCH) *the* hearing shall be mailed to the last known address of all interested parties at least ten days prior to the date set for (SUCH) *the* hearing. (SUCH) *The hearing may be conducted by means of a conference telephone call except that the appellant may request that the hearing be conducted in person. The* hearing shall be a trial de novo, and, upon the evidence presented, the (APPEAL TRIBUNAL) *referee* shall affirm, modify, or set aside the initial determination. (THE COMMISSIONER MAY, BY REGULATION, PROVIDE FOR THE TAKING OF EVIDENCE OR FOR THE ADMISSION OF SWORN STATEMENTS IN CASE ANY INTERESTED PARTY IS UNABLE TO BE PRESENT AT THE HEARING) *Where the same or substantially similar evidence is relevant and material to the issues in appeals by more than one individual or in appeals by one individual with respect to two or more weeks of unemployment, the appeals may be consolidated into one hearing. The referee shall exclude from any consolidated hearing the appeal of any individual who may be prejudiced because of the consolidation. A referee shall not hear any appeal in which the referee has a direct interest. The parties shall be (DULY) notified of (SUCH TRIBUNAL'S) the referee's decision (, TOGETHER WITH ITS) and the reason (THEREFOR,) for it. (WHICH SHALL BE) The referee's decision is deemed to be the final decision unless a further appeal is initiated pursuant to subdivision 5.*

Sec. 29. Minnesota Statutes 1982, section 268.10, subdivision 4, is amended to read:

Subd. 4. [(APPEAL TRIBUNALS ESTABLISHED) *REF-ERREES.*] In order to assure the prompt disposition of all claims for benefits, the commissioner shall (ESTABLISH) *appoint* one or more impartial (APPEAL TRIBUNALS CONSISTING OF A SALARIED EXAMINER WHO SHALL SERVE AS CHAIRMAN, AND TWO ADDITIONAL MEMBERS, ONE OF WHOM SHALL BE A REPRESENTATIVE OF EMPLOYERS AND THE OTHER OF WHOM SHALL BE A REPRESENTATIVE OF EMPLOYEES; EACH OF THE LATTER TWO MEMBERS SHALL SERVE AT THE PLEASURE OF THE COMMISSIONER AND BE PAID A FEE OF NOT MORE THAN \$35 PER DAY OF ACTIVE SERVICE ON SUCH TRIBUNAL PLUS NECESSARY EXPENSE) *referees*. The commissioner shall by (REGULATION PRESCRIBE

THE) *rule adopt a procedure* by which (SUCH APPEAL TRIBUNALS SHALL) *referees* hear and decide disputed claims, subject to appeal to the commissioner. No person shall participate on behalf of the commissioner in any case in which (HE) *that person* is an interested party. The commissioner may designate alternates to serve in the absence or disqualification of (ANY MEMBER OF ANY APPEAL TRIBUNAL) *a referee*. (THE CHAIRMAN SHALL ACT ALONE IN THE ABSENCE OR DISQUALIFICATION OF ANY OTHER MEMBER AND HIS ALTERNATES. IN NO CASE SHALL A HEARING BEFORE AN APPEAL TRIBUNAL PROCEED UNLESS THE CHAIRMAN OF SUCH TRIBUNAL IS PRESENT.) There shall be no charges, fees, transcript costs, or other cost imposed upon the employee in prosecuting (HIS) *an appeal*. All decisions of (SUCH TRIBUNAL, COMPLETE AS TO THE NAMES OF MEMBERS OF SUCH TRIBUNAL,) *referees* shall be made available to the public in accordance with (SUCH REGULATIONS AS) *rules* the commissioner may prescribe, except that names of interested parties may be deleted.

Sec. 30. Minnesota Statutes 1982, section 268.10, subdivision 5, is amended to read:

Subd. 5. [REVIEW BY COMMISSIONER.] Within 30 days after mailing *or personal delivery* of the notice of (AN APPEAL TRIBUNAL) *a referee's* decision to the claimant or employer at (HIS) *the* last known address (OR PERSONAL DELIVERY THEREOF, ANY SUCH), a party may appeal from (SUCH) *the* decision and obtain a review (THEREOF) *of it* by the commissioner or (HIS DULY) *an* authorized representative (, AND). The commissioner within the same period of time may on (HIS) *the commissioner's* own motion order a review of (ANY SUCH) *a* decision. Upon review, the commissioner or (HIS DULY) authorized representative may affirm, modify, or set aside any finding of fact or decision, or both, of the (APPEAL TRIBUNAL) *referee* on the basis of the evidence previously submitted in (SUCH) *the* case, or remand (SUCH) *the* matter back to the (APPEAL TRIBUNAL) *referee* for the taking of additional evidence and new findings and decision based on all of the evidence before (IT) *the referee*. Notice of all hearings on review shall be given to all interested parties in the same manner as provided for by subdivision 3. The commissioner or (HIS) *authorized* representative may remove to himself *or herself* or transfer to another (APPEAL TRIBUNAL) *referee* the proceedings on any claim pending before (AN APPEAL TRIBUNAL) *a referee*. Any proceedings (SO) removed to the commissioner or (HIS) *authorized* representative shall be heard upon notice in accordance with the requirements of subdivision 3. The department of economic security shall mail to all interested parties a notice of the filing of and a copy of the findings and decision of the commissioner or his representative.

Sec. 31. Minnesota Statutes 1982, section 268.10, subdivision 6, is amended to read:

Subd. 6. [COMMISSIONER.] The manner in which disputed claims (SHALL BE) *are* presented, the reports (THEREON) required from the claimant and from employers, and the conduct of hearings and appeals shall be in accordance with the (REGULATIONS PRESCRIBED) *rules adopted* by the commissioner for determining the rights of the parties, whether or not (SUCH) *the* regulations conform to common law or statutory rules of evidence and other technical rules of procedure. A full and complete record shall be kept of all proceedings in connection with a disputed claim. All testimony at any hearing shall be (REDUCED TO WRITING) *recorded*, but need not be transcribed unless the disputed claim is further appealed.

Sec. 32. Minnesota Statutes 1982, section 268.10, subdivision 7, is amended to read:

Subd. 7. [SUBPOENAED.] Witnesses, *other than an interested party or officers and employees of an interested party*, subpoenaed pursuant to this section shall be allowed fees (AT A RATE FIXED BY THE COMMISSIONER) *the same as witness fees in a civil action in district court*. (SUCH) *These* fees shall be deemed a part of the expense of administering sections 268.03 to 268.24.

Sec. 33. Minnesota Statutes 1982, section 268.10, subdivision 9, is amended to read:

Subd. 9. [REPRESENTATION BY ATTORNEY.] In any proceeding under these sections before (AN APPEAL TRIBUNAL) *a referee* or the commissioner, a party may be represented by an agent or attorney, but no individual claiming benefits shall be charged fees of any kind in (ANY) *a* proceeding (THEREUNDER BY THE APPEAL TRIBUNAL) *before a referee*, the commissioner, (OR HIS) *commissioner's* representatives, or by any court or any officers thereof. Any individual claiming benefits in any proceedings before the commissioner or his representatives or a court may be represented by counsel or other duly authorized agent, except that said agent in any court proceedings under these sections, must be an attorney at law; but no (SUCH) counsel shall either charge or receive for (SUCH) *the* services more than an amount approved by the commissioner and no fees shall be collected from an individual claiming benefits by any agent unless he is an attorney at law.

Sec. 34. Minnesota Statutes 1982, section 268.11, subdivision 2, is amended to read:

Subd. 2. [APPLICATION FOR TERMINATION OF COVERAGE.] Except as otherwise provided in subdivision 3, any employing unit shall cease to be an employer subject to sections 268.03 to 268.24 as of the last day of the calendar quarter in which the employing unit files with the commissioner a written application for termination of coverage, if the commissioner

finds the employment in the preceding calendar year and during the current calendar year, up to the last day of the calendar quarter in which the application was received, was not sufficient to make the employing unit liable under the provisions of section 268.04, subdivision 10. For the purpose of this subdivision the two or more employing units mentioned in section 268.04, subdivision 10, clause (2), (3), ((4), OR) (5), or (6), shall be treated as a single employing unit.

The commissioner shall waive the requirement for an application for termination of coverage whenever it shall appear that the employer was unable to comply with such requirement for the reason that, at the time when he had qualified for release from liability under the provisions of this chapter, he was in good faith not aware of the fact that he was an employer subject to the provisions of this chapter.

The commissioner at the commissioner's discretion may on his or her own motion terminate the coverage of any employer who no longer meets the definition of employer under section 268.04, subdivision 10.

Sec. 35. Minnesota Statutes 1982, section 268.11, subdivision 3, is amended to read:

Subd. 3. [ELECTION AGREEMENTS; TERMINATION POWERS OF COMMISSIONER.] (1) An employing unit, not otherwise subject to sections 268.03 to 268.24 as an employer, which files with the commissioner its written election to become an employer subject thereto for not less than two calendar years, shall, with the written approval of such election by the commissioner, become an employer subject hereto to the same extent as all other employers, as of the date stated in such approval and cease to be subject hereto as of the first day of January of any calendar year subsequent to such two calendar years, only, if at least 30 days prior to such first day of January, it has filed with the commissioner a written notice to that effect;

(2) Any employing unit for which services that do not constitute employment are performed, may file with the commissioner a written election that all such service performed by individuals in its employ in one or more distinct establishments or places of business shall be deemed to constitute employment for all the purposes of sections 268.03 to 268.24 for not less than two calendar years. Upon the written approval of such election by the commissioner, such services shall be deemed to constitute employment subject to these sections from and after the date stated in such approval. Such services shall cease to be deemed employment subject hereto as of the first day of January of any calendar year subsequent to such two calendar years only if at least 30 days prior to such first day of January such employing unit has filed with the commissioner a written notice to that effect.

(3) The commissioner (IN HIS DISCRETION MAY ON HIS OWN MOTION) *must* terminate any election agreement under this subdivision upon 30 days notice to the employer, (AND HE MAY ALSO IN HIS DISCRETION AND ON HIS OWN MOTION TERMINATE THE COVERAGE OF ANY EMPLOYER WHO HAS HAD LESS THAN 20 WEEKS OF EMPLOYMENT IN A CALENDAR YEAR) *if the employer fails to pay all contributions due under section 268.06, subdivision 1, or reimburse the unemployment fund in accordance with section 268.06, subdivisions 25, 26, 27, and 28.*

Sec. 36. Minnesota Statutes 1982, section 268.12, subdivision 8, is amended to read:

Subd. 8. [RECORDS; REPORTS.] (1) Each employing unit shall keep true and accurate work records for such periods of time and containing such information as the commissioner may prescribe. Such records shall be open to inspection, audit, and verification, and be subject to being copied by any authorized representative of the commissioner at any reasonable time and as often as may be necessary. The commissioner, appeal referee, (CHAIRMAN OF AN APPEAL TRIBUNAL,) or any other duly authorized representative of the commissioner, may require from any employing unit any sworn or unsworn reports, with respect to persons employed by it, which the commissioner, appeal referee, (CHAIRMAN OF AN APPEAL TRIBUNAL,) or any other duly authorized representative of the commissioner deems necessary for the effective administration of sections 268.03 to 268.24, provided that quarterly contribution and wage report forms shall (BE MADE TO CORRESPOND WHEREVER POSSIBLE WITH THE REPORTS REQUIRED FROM EMPLOYERS UNDER THE FEDERAL INSURANCE CONTRIBUTIONS ACT, SO THAT SUCH STATE FORMS MAY BE PREPARED AS DUPLICATES OF SUCH FEDERAL FORMS, EXCEPT THAT NO EMPLOYER SHALL BE PERMITTED TO SUBMIT A DUPLICATE REPORT WHICH IS NOT THOROUGHLY LEGIBLE) *include the employee's name, social security number, and total wages paid to the employee.*

(2) The commissioner may cause to be made such summaries, compilations, photographs, duplications, or reproductions of any records, reports, or transcripts thereof as he may deem advisable for the effective and economical preservation of the information contained therein, and such summaries, compilations, photographs, duplications or reproductions, duly authenticated, shall be admissible in any proceeding under sections 268.03 to 268.24, if the original record or records would have been admissible therein. Notwithstanding any restrictions contained in section 16.02, except restrictions as to quantity, the commissioner is hereby authorized to duplicate, on equipment furnished by the federal government or purchased with funds furnished for that purpose by the federal government, records, reports, summaries, compilations, instructions, determinations, or any other written

matter pertaining to the administration of the Minnesota Employment Services Law.

(3) Notwithstanding any inconsistent provisions elsewhere, the commissioner may provide for the destruction or disposition of any records, reports, transcripts, or reproductions thereof, or other papers in his custody, which are more than two years old, the preservation of which is no longer necessary for the establishment of contribution liability or benefit rights or for any purpose necessary to the proper administration of sections 268.03 to 268.24, including any required audit thereof, provided, that the commissioner may provide for the destruction or disposition of any record, report, or transcript, or other paper in his custody which has been photographed, duplicated, or reproduced in the manner provided in clause (2).

(4) Notwithstanding the provisions of the Minnesota State Archives Act the commissioner shall with the approval of the legislative auditor destroy all benefit checks and benefit check authorization cards that are more than two years old and no person shall make any demand, bring any suit or other proceeding to recover from the state of Minnesota any sum alleged to be due him on any claim for benefits after the expiration of two years from the date of filing such claim.

Sec. 37. Minnesota Statutes 1982, section 268.12, subdivision 9, is amended to read:

Subd. 9. [TESTIMONIAL POWERS.] (1) In the discharge of the duties imposed by sections 268.03 to 268.24, the commissioner, (THE CHAIRMAN OF THE APPEAL TRIBUNAL,) appeal referee, or any duly authorized representative of the commissioner, shall have power to administer oaths and affirmations, take depositions, certify to official acts, and issue subpoenas to compel the attendance of witnesses and the production of books, papers, correspondence, memoranda, and other records deemed necessary as evidence in connection with a disputed claim or the administration of these sections;

(2) Witnesses, *other than interested parties or officers and employees of an employing unit which is an interested party*, subpoenaed pursuant to this subdivision or sections 268.03 to 268.24, shall be allowed fees (AT A FIXED RATE PRESCRIBED BY REGULATION BY THE COMMISSIONER) *the same as witness fees in civil actions in district court*, which fees need not be paid in advance of the time of giving of testimony, and such fees of witnesses so subpoenaed shall be deemed part of the expense of administering these sections;

(3) In case of contumacy by, or refusal to obey, a subpoena issued to any person, any court of this state within the jurisdiction of which the inquiry is carried on or within the jurisdiction of which such person guilty of contumacy or refusal to obey

is found or resides or transacts business, upon application by the commissioner, (CHAIRMAN OF AN APPEAL TRIBUNAL,) or referee, or any duly authorized representative of the commissioner, shall have jurisdiction to issue to such person an order requiring such person to appear before the commissioner, the chairman of an appeal tribunal, referee, or any duly authorized representative of the commissioner, there to produce evidence if so ordered or there to give testimony relative to the matter under investigation or in question; and any failure to obey such order of the court may be punished by the court as a contempt thereof.

Sec. 38. Minnesota Statutes 1982, section 268.16, subdivision 2, is amended to read:

Subd. 2. [REPORTS; DELINQUENCIES; PENALTIES.]
(1) Any employer who knowingly fails to make and submit to the department of economic security any report of wages paid by or due from him for insured work in the manner and at the time such report is required by regulations prescribed by the commissioner shall pay to the department of economic security for the contingent account a penalty in the amount of one and one-half percent of contributions accrued during the period for which such report is required, for each month from and after such date until such report is properly made and submitted to the department of economic security. In no case shall the amount of the penalty imposed hereby be less than \$5 per month. The maximum penalty imposed hereby shall be \$25 or the amount determined at the rate of one and one-half percent per month, whichever is greater. Any employing unit which fails to make and submit to the commissioner any report, other than one of wages paid or payable for insured work, as and when required by the regulations of the commissioner, shall be subject to a penalty in the sum of \$10 payable to the department of economic security for the contingent account. All such penalties shall be in addition to interest and any other penalties provided for by sections 268.03 to 268.24 and shall be collected (BY CIVIL ACTION AS HEREINAFTER PROVIDED) *as provided by section 268.161.*

(2) If any employing unit required by sections 268.03 to 268.24 to make and submit contribution reports shall fail to do so within the time prescribed by these sections or by regulations under the authority thereof, or shall make, wilfully or otherwise, an incorrect, false or fraudulent contribution report, he shall, on the written demand of the commissioner, make such contribution report, or corrected report, within ten days after the mailing of such written demand and at the same time pay the whole contribution, or additional contribution, due on the basis thereof. If such employer shall fail within that time to make such report, or corrected report, the commissioner shall make for him a report, or corrected report, from his own knowledge and from such information as he can obtain through testimony,

or otherwise, and assess a contribution on the basis thereof, which contribution, plus penalties and interest which thereafter accrued (less any payments theretofore made) shall be paid within ten days after the commissioner has mailed to such employer a written notice of the amount thereof and demand for its payment. Any such contribution report or assessment made by the commissioner on account of the failure of the employer to make a report or corrected report shall be prima facie correct and valid, and the employer shall have the burden of establishing its incorrectness or invalidity in any action or proceeding in respect thereto. Whenever such delinquent employer shall file a report or corrected report, the commissioner may, if he finds it substantially correct, substitute it for the commissioner's report. (IF AN EMPLOYER HAS FAILED TO SUBMIT ANY REPORT OF WAGES PAID, OR HAS FILED AN INCORRECT REPORT, AND THE COMMISSIONER FINDS THAT SUCH NONCOMPLIANCE WITH THE TERMS OF SECTIONS 268.03 TO 268.24 WAS NOT WILFUL AND THAT SUCH EMPLOYER WAS FREE FROM FRAUDULENT INTENT, THE COMMISSIONER SHALL LIMIT THE CHARGE AGAINST SUCH EMPLOYER TO THE PERIOD OF THE YEAR IN WHICH SUCH CONDITION HAS BEEN FOUND TO EXIST AND FOR THE PRECEDING CALENDAR YEAR.)

Sec. 39. Minnesota Statutes 1982, section 268.161, subdivision 1, is amended to read:

Subdivision 1. [LIEN.] Any contributions or reimbursements due under sections 268.03 to 268.24 and interest and penalties imposed with respect thereto, shall become a lien upon all the property, (BOTH REAL AND PERSONAL, OF THE PERSON LIABLE THEREFOR,) within this state, *both real and personal, of the person liable therefor*, except his homestead, from and after the filing by the commissioner of a notice of lien in the office of the county recorder of the county in which the property is situated, or in the case of personal property belonging to an individual who is not a resident of this state, or which is a corporation, partnership, or other organization, in the office of the secretary of state.

The lien created under this section shall become effective with respect to personal property from and after the date of filing by the commissioner of a notice of the lien describing the property to which the lien attaches in the office of the county recorder of the county in which the commissioner believes the property is located at the time the lien is filed, and with the secretary of state.

The lien imposed on personal property by this section, even though properly filed, shall not be valid as against a purchaser with respect to tangible personal property purchased at retail

or as against the personal property listed as exempt in sections 550.37, 550.38 and 550.39.

The lien imposed by this section shall be enforceable by levy as authorized in subdivision 8 or by judgment lien foreclosure as authorized in chapter 550.

Sec. 40. Minnesota Statutes 1982, section 268.161, subdivision 4, is amended to read:

Subd. 4. [COLLECTION BY CIVIL ACTION.] (1) In addition to all other collection methods authorized, if, after due notice, any employer defaults in any payment of contributions or interest due thereon or penalties for failure to file returns and other reports as required by sections 268.03 to 268.24 or by any rule of the commissioner, the amount due (SHALL) *may* be collected by civil action in the name of the state of Minnesota, and any money recovered shall be credited to the funds provided for under those sections. Any employer adjudged in default shall pay the costs of the action. Civil actions brought under this section to collect contributions, interest due thereon, or penalties from an employer shall be heard by the court at the earliest possible date. No action for the collection of contributions or interest thereon shall be commenced more than (FOUR) *six* years after the contributions have been reported by the employer or determined by the commissioner to be due and payable. In any action, judgment shall be entered against any defendant in default for the relief demanded in the complaint without proof, together with costs and disbursements, upon the filing of an affidavit of default.

(2) Any employing unit which is not a resident of this state and which exercises the privilege of having one or more individuals perform service for it within this state, and any resident employing unit which exercises that privilege and thereafter removes from this state, shall be deemed thereby to appoint the secretary of state as its agent and attorney for the acceptance of process in any civil action under this subdivision. In instituting an action against any employing unit, the commissioner shall cause process or notice to be filed with the secretary of state, together with a payment of a fee of \$15 and that service shall be sufficient service upon the employing unit, and shall be of the same force and validity as if served upon it personally within this state. The commissioner shall forthwith send notice of the service of process or notice, together with a copy thereof, by certified mail, return receipt requested, to the employing unit at its last known address. The return receipt, the commissioner's affidavit of compliance with the provisions of this section, and a copy of the notice of service shall be appended to the original of the process filed in the court in which the civil action is pending.

Sec. 41. Minnesota Statutes 1982, section 268.161, subdivision 5, is amended to read:

Subd. 5. [RIGHT OF SETOFF.] Upon certification by the commissioner to the commissioner of finance *or to any state agency which disburses its own funds*, that an employer has an uncontested delinquent contribution or reimbursement liability owed to the department, and that the state has purchased personal services, supplies, contract services, or property from said employer, the commissioner of finance *or the state agency* shall apply to the delinquent contribution or reimbursement liability funds sufficient to satisfy the unpaid liability from funds appropriated for payment of said obligation of the state or any of its agencies that are due and owing the employer. The credit shall not be made against any funds exempt under section 550.37 or those funds owed (THE) *an individual employer who receives assistance under chapter 256 (OR 256B)*.

All funds, whether general or dedicated, shall be subject to setoff in the manner provided in this subdivision. Transfer of funds in payment of the obligations of the state or any of its agencies to an employer and any actions for the funds shall be had against the commissioner on the issue of the contribution or reimbursement liability. Nothing in this section shall be construed to limit the previously existing right of the state or any of its agencies to setoff.

Sec. 42. Minnesota Statutes 1982, section 268.161, subdivision 7, is amended to read:

Subd. 7. [CONFESSION OF JUDGMENT.] (a) Any contribution report or form that is required to be filed with the commissioner concerning contributions or reimbursements due, shall contain a written declaration that it is made under the penalties of section 268.18, subdivision 3 for wilfully making a false report and shall contain a confession of judgment for the amount of the contribution or reimbursement shown due thereon to the extent not timely paid together with any interest and penalty due under this chapter.

(b) The commissioner may, within (FOUR) *six* years after a report or form is filed, notwithstanding section 541.09, enter judgment *on any confession of judgment contained in the contribution report or form* after 20 days notice served upon the employer by mail at the address shown in the employer's report. The judgment shall be entered by the clerk of court of any county upon the filing of a photocopy or similar reproduction of that part of the contribution report or form containing the confession of judgment along with a statement of the commissioner or his agent that the contribution or reimbursement has not been paid.

Sec. 43. Minnesota Statutes 1982, section 268.161, subdivision 8, is amended to read:

Subd. 8. [LEVY.] (a) If any contribution or reimbursement payable to the department is not paid when due, the amount may be collected by the commissioner, his duly authorized representative, or by the sheriff of any county to whom the commissioner has issued his warrant, who may levy upon all property and rights of property of the person liable for the contribution or reimbursement, (except that which is exempt from execution pursuant to section 550.37), or property on which there is a lien provided by subdivision 1 of this section. The terms "contribution or reimbursement" shall include any penalty, interest, and costs. The term "levy" includes the power of distraint and seizure by any means. Before a levy is made or warrant issued, notice and demand for payment of the amount due shall be given to the person liable for the contribution or reimbursement at least ten days prior to the levy or issuing of a warrant.

(b) Upon the commissioner issuing a warrant, the sheriff shall proceed within 60 days to levy upon the rights to property of the employer within his county, except the homestead and household goods of the employer and property of the employer not liable to attachment, garnishment, or sale on any final process issued from any court under the provisions of section 550.37, and shall sell so much thereof as is required to satisfy the contribution, reimbursement, interest, and penalties, together with his costs. The sales shall, as to their manner, be governed by the law applicable to sales of like property on execution issued against property upon a judgment of a court of record. The proceeds of the sales, less the sheriff's costs, shall be turned over to the commissioner, who shall retain a part thereof as is required to satisfy the contribution, reimbursement, interest, penalties, and costs, and pay over any balance to the employer.

(c) If the commissioner has reason to believe that collection of the contribution or reimbursement is in jeopardy, notice and demand for immediate payment of the amount may be made by the commissioner. If the contribution or reimbursement is not paid, the commissioner may proceed to collect by levy or issue his warrant without regard to the ten day period provided herein.

(d) In making the execution of the levy and in collecting the contribution or reimbursement due, the commissioner shall have all of the powers provided in chapter 550 and in any other law for purposes of effecting an execution against property in this state. The sale of property levied upon and the time and manner of redemption therefrom shall be as provided in chapter 550. The seal of the court, subscribed by the clerk, as provided in section 550.04, shall not be required. The levy for collection of contributions or reimbursements may be made whether or not the commissioner has commenced a legal action for collection of the amount.

(e) Where a jeopardy assessment or any other assessment has been made by the commissioner, the property seized for collec-

tion of the contribution or reimbursement shall not be sold until any determination of liability, rate or benefit charges has become final. No sale shall be made unless the contribution or reimbursement remain unpaid for a period of more than 30 days after the determination becomes final. Seized property may be sold at any time if:

(1) the employer consents in writing to the sale; or

(2) the commissioner determines that the property is perishable or may become greatly reduced in price or value by keeping, or that the property cannot be kept without great expense.

(f) Where a levy has been made to collect contributions or reimbursements pursuant to this subdivision and the property seized is properly included in a formal proceeding commenced under sections 524.3-401 to 524.3-505 and maintained under full supervision of the court, the property shall not be sold until the probate proceedings are completed or until the court so orders.

(g) The property seized shall be returned by the commissioner if the owner gives a surety bond equal to the appraised value of his interest in the property, as determined by the commissioner, or deposits with the commissioner security in a form and amount as he deems necessary to insure payment of the liability, but not more than twice the liability:

(h) Notwithstanding any other law to the contrary, if a levy or sale pursuant to this section would irreparably injure rights in property which the court determines to be superior to rights of the state in the property, the district court may grant an injunction to prohibit the enforcement of the levy or to prohibit the sale.

(i) Any person who fails or refuses to surrender without reasonable cause any property or rights to property subject to levy upon demand by the commissioner shall be personally liable to the department in an amount equal to the value of the property or rights not so surrendered, but not exceeding the amount of contribution or reimbursement for the collection of which the levy has been made. Any amount recovered under this subdivision shall be credited against the contribution or reimbursement liability for the collection of which the levy was made. The term "person" includes an officer or employee of a corporation or a member or employee of a partnership who, as an officer, employee, or member is under a duty to surrender the property or rights to property or to discharge the obligation.

(j) Any action taken by the commissioner pursuant to this subdivision shall not constitute an election by the department to pursue a remedy to the exclusion of any other remedy.

(k) After the commissioner has seized the property of any person, that person may, upon giving 48 hours notice to the commissioner and to the court, bring a claim for equitable relief before the district court for the release of the property to the employer upon terms and conditions as the court may deem equitable.

(l) Any person in possession of (or obligated with respect to) property or rights to property subject to levy upon which a levy has been made who, upon demand by the commissioner, surrenders the property or rights to property or who pays a liability under this subdivision shall be discharged from any obligation or liability to the person liable for the payment of the delinquent contribution or reimbursement with respect to the property or rights to property so surrendered or paid.

(m) Notwithstanding any other provisions of law to the contrary, the notice of any levy authorized by this section may be served by certified or registered mail or by delivery by an employee or agent of the department of economic security.

(n) It shall be lawful for the commissioner to release the levy upon all or part of the property or rights to property levied upon if the commissioner determines that the release will facilitate the collection of the liability, but the release shall not operate to prevent any subsequent levy. If the commissioner determines that property has been wrongfully levied upon, it shall be lawful for the commissioner to return:

(1) the specific property levied upon, at any time; or

(2) an amount of money equal to the amount of money levied upon, at any time before the expiration of nine months from the date of levy.

(o) A levy by the commissioner made pursuant to the provisions of this section upon an employer's funds on deposit in a financial institution located in this state, shall have priority over any unexercised right of setoff of the financial institution to apply the levied funds toward the balance of an outstanding loan or loans owed by the employer to the financial institution. A claim by the financial institution that it exercised its right to setoff prior to the levy by the commissioner must be substantiated by evidence of the date of the setoff, and shall be verified by the sworn statement of a responsible corporate officer of the financial institution. Furthermore, for purposes of determining the priority of any levy made under this section, the levy shall be treated as if it were an execution made pursuant to chapter 550.

Sec. 44. Minnesota Statutes 1982, section 268.18, subdivision 1, is amended to read:

Subdivision 1. [ERRONEOUS PAYMENTS.] Any claimant for benefits who, by reason of his own mistake or through the error of any individual engaged in the administration of sections 268.03 to 268.24 or because of a determination or redetermination issued pursuant to section 268.10, subdivision 2, has received any sum as benefits to which he was not entitled under these sections, shall promptly return such benefits in cash to the nearest office of the Minnesota department of economic security. If such claimant fails to return such benefits, the department of economic security shall, as soon as it discovers such erroneous payment, determine the amount thereof and notify said individual to return the same. Unless the claimant files a written appeal with the department of economic security within 15 days after the mailing of the notice of determination to his last known address or personal delivery of the notice, the determination shall become final. If the claimant files an appeal with the department in writing within the time aforesaid the matter shall be set for hearing before (AN APPEAL TRIBUNAL) a referee of the department and heard as other benefit matters are heard in accordance with section 268.10 with the same rights of review as outlined for benefit cases in that section. The commissioner of the department of economic security is hereby authorized to deduct from any future benefits payable to the claimant under these sections in either the current or any subsequent benefit year an amount equivalent to the overpayment determined or the overpayment may be collected without interest by civil action in the name of the commissioner. If a claimant has been overpaid benefits under the law of another state and that state certifies to the department the facts involved and that the individual is liable under its law to repay the benefits and requests the department to recover the overpayment, the commissioner is authorized to deduct from future benefits payable to the claimant in either the current or any subsequent benefit year an amount equivalent to the amount of overpayment determined by that state. *Benefits paid for weeks more than three years prior to the discovery of error are not erroneous payments.*

Sec. 45. Minnesota Statutes 1982, section 268.18, subdivision 2, is amended to read:

Subd. 2. [FRAUD.] Any claimant who files a claim for or receives benefits by knowingly and wilfully misrepresenting or misstating any material fact or by knowingly and wilfully failing to disclose any material fact which would make him ineligible for benefits under sections 268.03 to 268.24 is guilty of fraud. After the discovery of facts by the commissioner indicating fraud in claiming or obtaining benefits under sections 268.03 to 268.24, he is hereby authorized to make a determination that the claimant was ineligible for each week with reference to which benefits were claimed or obtained by fraud for the amount as was in excess of what the claimant would have been entitled to had he not made the fraudulent statements or failed to disclose any material facts. The commissioner also may disqualify an

individual from benefits for one to 52 weeks in which the claimant is otherwise eligible for benefits following the week in which the fraud was determined. A disqualification imposed for fraud shall not be removed by subsequent insured work or the expiration of a benefit year but shall not apply to any week more than 104 weeks after the week in which the fraud was determined. (SAID) *The* claimant shall (WITHIN 20 DAYS FROM THE DATE OF MAILING THE NOTICE OF SAID DETERMINATION TO HIM) *promptly* repay in cash to the department of economic security any benefits (SO) fraudulently obtained. Unless the claimant files a written appeal with the department of economic security within 15 days after the mailing of the notice of determination to his last known address or personal delivery of the notice. The determination shall become final. If the claimant (SHALL APPEAL) *appeals* from (SUCH) *the* determination within the time above specified (SAID) *the* matter shall be referred to (AN APPEAL TRIBUNAL) *a referee* for a hearing as in other benefit cases and thereafter the procedure for review shall be the same as set forth in section 268.10. The commissioner is hereby authorized to deduct from future benefits payable to the claimant in either the current or any subsequent benefit year an amount equivalent to the amount of overpayment determined or the overpayment may be collected without interest by civil action in the name of the commissioner. If a claimant has been overpaid benefits under the law of another state and that state certifies to the department the facts involved and that the individual is liable to repay the benefits and requests the department to recover the overpayment, the commissioner is authorized to deduct from future benefits payable to the claimant in either the current or any subsequent benefit year an amount equivalent to the amount of overpayment determined by that state. *A determination of fraud may be made at any time.*

Sec. 46. [PERSONNEL NAME CHANGE.]

Those individuals serving as salaried examiners of an appeal tribunal shall be referees as of the effective date of section 29 without change in the terms and conditions of their employment. They have the same authority to decide matters pending before them as did an appeal tribunal chairman.

Sec. 47. [REPEALER.]

Minnesota Statutes 1982, section 268.06, subdivision 32 is repealed.

Sec. 48. [EFFECTIVE DATE.]

Section 19 is effective retroactively to July 4, 1982. Section 18 is effective retroactively to October 1, 1982. Any wage credits disallowed for benefit purposes due to the operation of the stricken clause (4) shall be reinstated and eligibility for regular

benefits shall be extended from October 1, 1982, until the claimant is reemployed or the final approval of this act whichever is earlier. Section 2 is effective retroactively to January 1, 1983. Sections 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 14, 15, 16, 17, 20, 21, 22, 23, 24, 25, 26, 27, 31, 34, 35, 38, 39, 40, 41, 42, 43, and 47 are effective the day following final enactment. Sections 1, 13, 28, 29, 30, 32, 33, 36, 37, 44, 45, and 46 are effective August 1, 1983."

Delete the title and insert:

"A bill for an act relating to unemployment compensation; providing for conformity with federal law; imposing an annual surcharge on employers' calendar year contributions for the purpose of repayment of interest charged on federal loans; creating the emergency interest repayment fund; adding a category to the extension of base period in the definition of base period; updating the law to reflect current practice; making technical changes; removing obsolete language; regulating administrative practices; providing for the effect of back pay awards; regulating benefit amounts, contributions, and benefit eligibility; amending Minnesota Statutes 1982, sections 268.04, subdivisions 2, 12, 17, 25, 26, 29, and by adding a subdivision; 268.05, subdivision 5; 268.06, subdivisions 1, 2, 3a, 5, 20, 28, and 29; 268.07, subdivisions 2 and 3; 268.071, subdivision 3; 268.08, subdivisions 1, 3, 6, and by adding subdivisions; 268.09, subdivisions 1 and 2; 268.10, subdivisions 2, 3, 4, 5, 6, 7, and 9; 268.11, subdivisions 2 and 3; 268.12, subdivisions 8 and 9; 268.16, subdivision 2; 268.161, subdivisions 1, 4, 5, 7, and 8; 268.18, subdivisions 1 and 2; proposing new law coded in Minnesota Statutes, chapter 268; repealing Minnesota Statutes 1982, section 268.06, subdivision 32."

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 1208, A bill for an act relating to commerce; mechanics' liens; providing notice requirements for certain contractors; increasing the time periods relating to an owner's obligation to pay a contractor and the duration of the lien; amending Minnesota Statutes 1982, sections 514.011, subdivisions 1 and 2; 514.07; and 514.08, subdivision 1.

Reported the same back with the following amendments:

Page 1, line 23, strike "the contract for"

Page 2, line 7, strike "so" and insert "as"

Page 2, line 9, strike "thereof" and insert "*of them*"

Page 2, line 11, strike "90" and insert "120"

Page 2, line 19, strike "himself"

Page 2, line 31, after "514.01" insert a comma

Page 3, lines 23 and 33 strike "so" and insert "*as*"

Page 3, line 25, strike "thereof" and insert "*of them*"

Page 4, line 1, strike "; and" and insert a period

Page 4, line 3, strike "thereof" and insert "*of them*"

Page 4, line 6, strike "shall furnish" and insert "*furnishes*"

Page 4, line 13, strike "thereof" and insert "*of it*" and strike the semicolon

Page 4, line 14, strike "and" and insert a period

Page 4, line 16, strike "so"

Page 4, line 18, strike "otherwise" and insert "*other*" and strike "thereunder"

Page 4, line 21, after "1." insert "[NOTICE REQUIRED.]"

Page 4, line 25, strike "therefor, be" and insert "*is*"

Page 4, line 27, strike "be" and insert "*is*"

With the recommendation that when so amended the bill pass.

The report was adopted.

Anderson, G., from the Committee on Local and Urban Affairs to which was referred:

H. F. No. 1236, A bill for an act relating to local government; permitting certain land transfers by the metropolitan sports facilities commission; amending Minnesota Statutes 1982, section 458.195, subdivision 5; and 473.556, subdivision 6.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

“Section 1. [BLOOMINGTON PORT AUTHORITY ACQUISITION AUTHORITY.]

The port authority of the city of Bloomington may lease or purchase and accept conveyances of real property from all other public agencies, commissions, or other units of government, including the metropolitan sports facilities commission, if the real property can be properly utilized by the port authority to carry out the purposes of Laws 1957, chapter 812. The port authority may, with the approval of the city council, issue bonds as provided in section 458.193 for the purpose of paying the cost of purchasing the real property.

Sec. 2. Minnesota Statutes 1982, section 473.556, subdivision 6, is amended to read:

Subd. 6. [DISPOSITION OF PROPERTY.] (a) The commission may sell or otherwise dispose of any real or personal property acquired by it which is no longer required for accomplishment of its purposes. The property shall be sold in the manner provided by section 458.196, insofar as practical and consistent with sections 473.551 to 473.595.

(b) Real property at the metropolitan sports area (not including the indoor public assembly facility and adjacent parking facilities) which is no longer needed for sports facilities shall be sold or leased for commercial or industrial development in accordance with the procedures in section 458.196 within two years to a private, for-profit entity, and thereafter the property shall be subject to all applicable taxes and assessments and all government laws, regulations and ordinances bearing on use and development as if the property were privately owned.

(c) Any real property right, title, or interest within the provisions of paragraph (b) owned by the commission may be sold or leased in whole or in part to the port authority of the city of Bloomington.

(d) Real property disposed of under this subdivision shall be subject to leases, agreements, or other written interests in force on June 1, 1983.

(e) The proceeds from the sale of any real property at the metropolitan sports area shall be paid to the council and used for debt service or retirement.

Sec. 3. [EFFECTIVE DATE.]

(a) Section 1 of this act is effective the day after compliance with Minnesota Statutes, section 645.021, subdivision 3, by both the governing body of the city of Bloomington and the port authority of the city of Bloomington.

(b) *Section 2 is effective the day following final enactment and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott and Washington.*"

Delete the title and insert:

"A bill for an act relating to local government; permitting certain land transfers by the metropolitan sports facilities commission; permitting certain land acquisitions by the Bloomington port authority; amending Minnesota Statutes 1982, section 473.556, subdivision 6."

With the recommendation that when so amended the bill pass.

The report was adopted.

Anderson, G., from the Committee on Local and Urban Affairs to which was referred:

S. F. No. 92, A bill for an act relating to towns, cities, and counties; requiring other government units to give notice to towns, cities, and counties of actions that affect land use or taxation; proposing new law coded in Minnesota Statutes, chapter 471.

Reported the same back with the following amendments:

Page 1, line 11, delete "*excluding the metropolitan*"

Page 1, line 12, delete "*area as defined in section 473.121, subdivision 2,*"

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

The report was adopted.

Swanson from the Committee on Health and Welfare to which was referred:

S. F. No. 159, A bill for an act relating to occupations and professions; regulating chiropractic practice; providing rulemaking authority for the board of chiropractic examiners; creating a legislative study commission; amending Minnesota Statutes 1982, sections 148.01; 148.06; and 148.08, and by adding a subdivision.

Reported the same back with the following amendments:

Page 2, after line 10, insert:

"Sec. 2. Minnesota Statutes 1982, section 148.03, is amended to read:

148.03 [APPOINTMENT.]

The governor shall appoint a board of chiropractic examiners consisting of two public members as defined by section 214.02 and five resident chiropractors who shall have practiced chiropractic in this state for at least three years immediately prior to the time of appointment, all of whom shall be graduates of a course of chiropractic, but no more than two of whom shall be graduates of the same school or college of chiropractic *and no more than four of whom are members of the same national professional chiropractic association. No member shall serve more than two consecutive terms on the board. All members shall certify, at the time of their appointment, that they practice within the scope of chiropractic practice as defined in sections 148.01 to 148.10.* Membership terms, compensation of members, removal of members, the filling of membership vacancies, and fiscal year and reporting requirements shall be as provided in sections 214.07 to 214.09. The provision of staff, administrative services and office space; the review and processing of complaints; the setting of board fees; and other provisions relating to board operations shall be as provided in chapter 214 and Laws 1976, Chapter 222, Sections 2 to 7. The board shall have the authority to prescribe rules relative to the examination of applicants for license to practice chiropractic and for the annual renewal of licenses. Vacancies caused by death or otherwise shall be filled by the governor within 60 days. No member of the board shall be financially interested in any chiropractic school or college or be in any way affiliated with the practice of other methods of healing as are now regulated by law in this state."

Page 3, after line 24, insert:

"Sec. 4. Minnesota Statutes 1982, section 148.07, subdivision 2, is amended to read:

Subd. 2. [EXPENSES.] The expenses of administering sections 148.01 to 148.101 shall be paid from the appropriation made to the state board of chiropractic examiners. *Expenditures and revenues must be managed in accordance with the statewide accounting principles and requirements of the commissioner of finance.*"

Page 3, after line 33, insert:

"Sec. 6. Minnesota Statutes 1982, section 148.10, subdivision 1, is amended to read:

Subdivision 1. [GROUNDS.] The state board of chiropractic examiners may refuse to grant, or may revoke, suspend,

condition, limit, restrict or qualify a license to practice chiropractic, or may cause the name of a person licensed to be removed from the records in the office of the clerk of the district court for:

(1) the publishing or distributing, or causing to be published or distributed, in newspapers, magazines, directories, pamphlets, posters, cards, or in any other manner by advertisement, wherein the term "cure" or "guarantee to cure" or similar terms are used; which is hereby declared to be fraudulent and misleading to the general public;

(2) the employment of fraud or deception in applying for a license or in passing the examination provided for in section 148.06;

(3) the practice of chiropractic under a false or assumed name or the impersonation of another practitioner of like or different name;

(4) the conviction of a crime involving moral turpitude;

(5) habitual intemperance in the use of alcohol or drugs;

(6) failure to pay the annual renewal license fee;

(7) Advanced physical or mental disability;

(8) The revocation or suspension of a license to practice chiropractic; or other disciplinary action against the licensee; or the denial of an application for a license by the proper licensing authority of another state, territory or country;

(9) The violation of, or failure to comply with, the provisions of sections 148.01 to 148.101, the rules of the state board of chiropractic examiners, or a lawful order of the board; (OR)

(10) Unprofessional conduct; or

(11) *Being unable to practice chiropractic with reasonable skill and safety to patients by reason of illness, professional incompetence, senility, drunkenness, use of drugs, narcotics, chemicals or any other type of material or as a result of any mental or physical condition. If the board has probable cause to believe that a person comes within this clause, it shall direct the person to submit to a mental or physical examination. For the purpose of this clause, every person licensed under this chapter shall be deemed to have given his consent to submit to a mental or physical examination when directed in writing by the board and further to have waived all objections to the admissibility of the examining physicians' testimony or examination reports on the ground that the same constitute a privileged com-*

munication. Failure of a person to submit to such examination when directed shall constitute an admission of the allegations against him, unless the failure was due to circumstances beyond his control, in which case a default and final order may be entered without the taking of testimony or presentation of evidence. A person affected under this clause shall at reasonable intervals be afforded an opportunity to demonstrate that he can resume the competent practice of chiropractic with reasonable skill and safety to patients.

In any proceeding under this clause, neither the record of proceedings nor the orders entered by the board shall be used against a person in any other proceeding.

For the purposes of clause (4), conviction shall be deemed to include a criminal proceeding in which a finding or verdict of guilt is made or returned but the adjudication of guilt is either withheld or not entered.

For the purposes of clauses (4) and (5), a copy of the judgment or proceeding under seal of the clerk of the court or of the administrative agency which entered the same shall be admissible into evidence without further authentication and shall constitute prima facie evidence of its contents.

For the purposes of clause (10), unprofessional conduct means any unethical, deceptive or deleterious conduct or practice harmful to the public, any departure from or the failure to conform to the minimal standards of acceptable chiropractic practice, or a willful or careless disregard for the health, welfare or safety of patients, in any of which cases proof of actual injury need not be established. Unprofessional conduct shall include, but not be limited to, the following acts of a chiropractor:

(a) Gross ignorance of, or incompetence in, the practice of chiropractic;

(b) Making suggestive, lewd, lascivious or improper advances to a patient;

(c) Performing unnecessary services;

(d) Charging a patient an unconscionable fee or charging for services not rendered;

(e) Directly or indirectly engaging in threatening, dishonest, or misleading fee collection techniques;

(f) Perpetrating fraud upon patients, third party payers, or others, relating to the practice of chiropractic; and

(g) Any other act that the board by rule may define.

Sec. 7. Minnesota Statutes 1982, section 148.10, subdivision 3, is amended to read:

Subd. 3. [REPRIMAND; PENALTIES; PROBATION.] In addition to the other powers granted to the board under this chapter, the board may, in connection with any person whom the board, after a hearing, adjudges unqualified or whom the board, after a hearing, finds to have performed one or more of the acts described in subdivision 1:

(a) Publicly reprimand or censure the person; (AND)

(b) Place the person on probation for the period and upon the terms and conditions that the board may prescribe; and

(c) *Require payment of all costs of proceedings resulting in the disciplinary action.*

Sec. 8. Minnesota Statutes 1982, section 148.10, is amended by adding a subdivision to read:

Subd. 4. [TEMPORARY SUSPENSION.] In addition to any other remedy provided by law, the board may, without a hearing, temporarily suspend a license for not more than 60 days if the board finds that a person has violated a statute or rule which the board is empowered to enforce and continued practice by the person would create an imminent risk of harm to others. The suspension shall take effect upon written notice to the person, specifying the statute or rule violated. At the time it issues the suspension notice, the board shall schedule a disciplinary hearing to be held pursuant to the administrative procedure act. The person shall be provided with at least 20 days notice of any hearing held pursuant to this subdivision."

Page 4, line 10, delete "4" and insert "9"

Renumber the sections

Amend the title as follows:

Page 1, line 6, after "148.01;" insert "148.03;"

Page 1, line 6, delete "and" and insert "148.07, subdivision 2;"

Page 1, line 6, after "148.08," insert "by adding a subdivision; and 148.10, subdivisions 1 and 3,"

With the recommendation that when so amended the bill pass.

The report was adopted.

Kostohryz from the Committee on General Legislation and Veterans Affairs to which was referred:

S. F. No. 246, A bill for an act relating to elections; reducing the filing fee for candidates for soil and water conservation supervisor; amending Minnesota Statutes 1982, section 204B.11, subdivision 1.

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

The report was adopted.

Norton from the Committee on Governmental Operations to which was referred:

S. F. No. 323, A bill for an act relating to retirement; extending the reporting date required in connection with state aid distribution; amending Minnesota Statutes 1982, sections 69.011, subdivision 2; and 69.051, subdivisions 1 and 3.

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

The report was adopted.

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

S. F. No. 541, A bill for an act relating to counties; authorizing a jobs program.

Reported the same back with the following amendments:

Page 1, line 20, delete "100" and insert "25"

Page 1, line 20, delete "*current lower*" and insert "*statewide median household income as determined by the 1980 federal census*"

Page 1, delete line 21

Page 1, line 22, delete "*statistics*"

With the recommendation that when so amended the bill pass.

The report was adopted.

Voss from the Committee on Energy to which was referred:

S. F. No. 554, A bill for an act relating to housing and redevelopment; providing for the appointment of commissioners of multi-county authorities; amending Minnesota Statutes 1982, section 462.428, subdivision 2.

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

The report was adopted.

Norton from the Committee on Governmental Operations to which was referred:

S. F. No. 627, A bill for an act relating to the Minnesota humane society; providing for appointment of the executive director by the governor; amending Minnesota Statutes 1982, section 343.01, subdivision 3.

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

The report was adopted.

Mann from the Committee on Transportation to which was referred:

S. F. No. 673, A bill for an act relating to motor vehicles; providing for handicapped persons to obtain special plates for recreational vehicles; amending Minnesota Statutes 1982, section 168.021, subdivision 1.

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

The report was adopted.

Norton from the Committee on Governmental Operations to which was referred:

S. F. No. 679, A bill for an act relating to redevelopment; authorizing the commissioner of iron range resources and rehabilitation to exercise certain powers and to issue bonds to finance certain projects and programs in tax relief areas; appropriating money; amending Minnesota Statutes 1982, section 298.292; proposing new law coded in Minnesota Statutes, chapter 298.

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

The report was adopted.

Swanson from the Committee on Health and Welfare to which was referred:

S. F. No. 723, A bill for an act relating to public welfare; providing guidelines for considering race and ethnic origin in foster care and adoption placement; requiring recruitment, periodic review, reporting, and recordkeeping; providing for a voluntary task force; amending Minnesota Statutes 1982, sections 257.01; 257.071, subdivision 2, and by adding subdivisions; 259.27, subdivisions 1 and 2; 259.28; 260.181, subdivision 3; 260.191, subdivision 1; 260.192; and 260.242, by adding a subdivision; proposing new law coded in Minnesota Statutes, chapters 257 and 259.

Reported the same back with the following amendments:

Page 3, line 32, after the period insert "*For purposes of inter-country adoptions, due consideration is deemed to have occurred if the appropriate authority in the child's country of birth has approved the placement of the child.*"

Page 6, line 18, after the period insert "*For purposes of inter-country adoptions, due consideration is deemed to have occurred if the appropriate authority in the child's country of birth has approved the placement of the child.*"

With the recommendation that when so amended the bill pass.

The report was adopted.

Swanson from the Committee on Health and Welfare to which was referred:

S. F. No. 784, A bill for an act relating to public welfare; setting eligibility criteria for community social services; requiring information from users to be included in the planning process; prescribing duties of the commissioner; amending Minnesota Statutes 1982, sections 256E.03, subdivision 2; 256E.05, subdivision 3; and 256E.09, subdivisions 2 and 3.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1982, section 256E.03, subdivision 2, is amended to read:

Subd. 2. "Community social services" means services provided or arranged for by county boards to fulfill the responsibilities prescribed in section 256E.08, subdivision 1 to the following groups of persons:

(a) Families with children under age 18, who are experiencing child dependency, neglect or abuse, (AND ALSO) pregnant adolescents, and adolescent parents under the age of 18, and their children, and persons who are under the guardianship of the commissioner of welfare as dependent and neglected wards;

(b) (PERSONS WHO ARE UNDER THE GUARDIANSHIP OF THE COMMISSIONER OF PUBLIC WELFARE AS DEPENDENT AND NEGLECTED WARDS) *Persons who are at or below the 60th percentile of the state median income, including recipients of public assistance;*

(c) Adults who are in need of protection and vulnerable as defined in section 626.557;

(d) Persons age 60 and over who are experiencing difficulty living independently and are unable to provide for their own needs;

(e) Emotionally disturbed children and adolescents, chronically and acutely mentally ill persons who are unable to provide for their own needs or to independently engage in ordinary community activities;

(f) Mentally retarded persons as defined in section 252A.02, subdivision 2 who are unable to provide for their own needs or to independently engage in ordinary community activities;

(g) Drug dependent and intoxicated persons as defined in section 254A.02, subdivisions 5 and 7, and persons at risk of harm to self or others due to the ingestion of alcohol or other drugs; and

(h) Other groups of persons who, in the judgment of the county board, are in need of social services.

Community social services do not include public assistance programs known as aid to families with dependent children, Minnesota supplemental aid, medical assistance, general assistance, general assistance medical care, or community health services authorized by sections 145.911 to 145.922.

Sec. 2. Minnesota Statutes 1982, section 256E.05, subdivision 3, is amended to read:

Subd. 3. [ADDITIONAL DUTIES.] The commissioner shall also:

(a) Provide necessary forms and instructions to the counties for plan format and information;

(b) Identify and then amend or repeal the portions of all applicable department rules which mandate counties to provide specific community social services or programs, unless state or federal law requires the commissioner to mandate a service or program. The commissioner shall be exempt from the rulemaking provisions of chapter 14 in amending or repealing rules pursuant to this clause. However, when the commissioner proposes to amend or repeal any rule under the authority granted by this clause, notice shall be provided by publication in the state register. When the commissioner proposes to amend a rule, the notice shall include that portion of the existing rule necessary to provide adequate notice of the nature of the proposed change. When the commissioner proposes to repeal an entire rule, he need only publish that fact, giving the exact citation to the rule to be repealed. In all cases, the notice shall contain a statement indicating that interested persons may submit comment on the proposed repeal or amendment for a period of 30 days after publication of the notice. The commissioner shall take no final action until after the close of the comment period. The commissioner's actions shall not be effective until five days after the commissioner publishes notice of adoption in the state register. If the final action is the same as the action originally proposed, publication may be made by notice in the state register that the amendment and repeals have been adopted as proposed, and by citing the prior publication. If the final action differs from the action as previously proposed in the state register, the text which differs from the original proposal shall be included in the notice of adoption together with a citation to the prior state register publication. The commissioner shall provide to all county boards separate notice of all final actions which become effective under this clause, advising the boards with respect to services or programs which have now become optional, to be provided at county discretion;

(c) Provide to the chairman of each county board, in addition to notice required pursuant to sections 14.05 to 14.36, timely advance notice and a written summary of the fiscal impact of any proposed new rule or changes in existing rule which will have the effect of increasing county costs for community social services;

(d) Provide training and other support services to county boards to assist in needs assessment, planning, implementing, and monitoring social services programs in the counties;

(e) (DESIGN AND IMPLEMENT A METHOD OF MONITORING AND EVALUATING THE SOCIAL SERVICES DELIVERED WITHIN THE STATE, AND ASSURE COMPLIANCE WITH APPLICABLE STANDARDS, GUIDELINES, AND THE COUNTY AND STATE SOCIAL SERVICES PLANS) *Develop standards for the planning, monitoring, and evaluation of the social services provided by county boards, and design and implement a method for monitoring and evaluating*

social services to assure compliance with applicable standards and guidelines, as well as with the county and state social service plans;

(f) Annually publish a report on community social services which shall reflect the contents of the individual county reports. The report shall be submitted to the governor and the legislature with an evaluation of community social services and recommendations for changes needed to fully implement state social service policies; (AND)

(g) Request waivers from federal programs as necessary to implement sections 256E.01 to 256E.12; and

(h) *Cooperate with county boards to develop approaches to planning and service delivery which will minimize local administrative expenses.*

Sec. 3. Minnesota Statutes 1982, section 256E.06, subdivision 2, is amended to read:

Subd. 2. [MINIMUM FUNDING LEVEL; STATE AIDS.] No county shall receive less in state aids for community social services under subdivision 1 in calendar years (1982) 1984 and (1983) thereafter than 106 percent of the state money it received in the immediately preceding calendar year pursuant to section 256E.06. For purposes of (1983) 1984, the state money the county received in (1982) 1983 shall be the community social service grant plus the state money it received for state fiscal year (1982) 1983 as authorized by (THE HEALTH, WELFARE, AND CORRECTIONS APPROPRIATIONS ACT FOR THE BIENNIUM ENDING JUNE 30, 1983) *Laws 1981, chapter 360, section 2*, for the following activities: (COST OF CARE FOR MENTALLY RETARDED, EPILEPTIC OR EMOTIONALLY HANDICAPPED CHILDREN PURSUANT TO SECTION 252.27, SUBDIVISION 1; COMMUNITY MENTAL HEALTH PILOT PROGRAM PURSUANT TO SECTION 245.72 AND COMMUNITY-BASED RESIDENTIAL PROGRAMS FOR MENTALLY ILL PERSONS) *the program of grants for the cost of children under state guardianship pursuant to section 260.38; grants for chronically mentally ill persons pursuant to section 256E.12; and community services for the mentally retarded, as authorized in the official worksheets of the senate and house conferees to Laws 1981, chapter 360, section 2, except that amount of money for those mentally retarded persons who are eligible for the medical assistance program, pursuant to chapter 256B.*

The term state funds does not include any federal money received by the state or counties for financing these services.

No county shall receive more than 130 percent of the amount received in the immediately preceding year as specified in this

subdivision. If the amount allocated to any county pursuant to subdivision 1 is greater than this amount, the excess shall be reallocated to all counties in direct proportion to their initial allocations.

If the amount allocated to any county pursuant to subdivision 1 and the preceding paragraph is less than the minimum funding level of that county, its allocation shall be raised to its minimum share through an equal percentage reduction applied to all other county allocations.

Sec. 4. Minnesota Statutes 1982, section 256E.08, subdivision 9, is amended to read:

Subd. 9. [REDUCTION IN SERVICES PROHIBITED.] In calendar year 1983 the county board shall not reduce the funding provided in calendar year 1982 for the following service: cost of care for mentally retarded, epileptic or emotionally handicapped children. *In calendar years 1984 and 1985 the county board shall not reduce the funding provided in calendar year 1983 for the following services: experimental programs to assist chronically mentally ill persons to remain in their own communities; and community services for the mentally retarded as authorized in the official worksheets of the senate and house conferees to Laws 1981, chapter 360, section 2, except that amount of money for those mentally retarded persons who are eligible for the medical assistance programs, pursuant to chapter 256B.*

Sec. 5. Minnesota Statutes 1982, section 256E.09, subdivision 2, is amended to read:

Subd. 2. [CITIZEN PARTICIPATION.] The county board shall provide opportunities for participation by citizens in the county (**INCLUDING REPRESENTATIVES OF USERS OF SERVICES**.) in the development of the biennial plan and in the allocation of money for community social services. At least 60 days prior to publication of the proposed plan the county board shall publish the methods proposed to achieve citizen participation in the planning process. *The county board shall document the inclusion of information in the biennial plan from users of services in each of the groups identified in Minnesota Statutes 1982, section 256E.03, subdivision 2, and representatives of the users of services, as well as providers of services. The county board shall hold at least one public hearing as part of the biennial planning process.*

Sec. 6. Minnesota Statutes 1982, section 256E.09, subdivision 3, is amended to read:

Subd. 3. [PLAN CONTENT.] The biennial community social services plan published by the county shall include:

(a) A statement of the goals of community social service programs in the county;

(b) Methods used pursuant to subdivision 2 to encourage participation of citizens and providers in the development of the plan and the allocation of money;

(c) Methods used to identify persons in need of service and the social problems to be addressed by the community social service programs, including efforts the county proposes to make in providing for early intervention, prevention and education aimed at minimizing or eliminating the need for services for groups of persons identified in section 256E.03, subdivision 2;

(d) A statement describing how the county will fulfill its responsibilities identified in section 256E.08, subdivision 1 to the groups of persons described in section 256E.03, subdivision 2, and a description of each community social service proposed and identification of the agency or person proposed to provide the service. The plan shall specify how the county proposes to make the following services available for persons identified by the county as in need of services: daytime developmental achievement services, subacute detoxification services, residential services and nonresidential social support services as appropriate for the groups identified in section 256E.03, subdivision 2;

(e) The amount of money proposed to be allocated to each service;

(f) An inventory of public and private resources including associations of volunteers which are available to the county for social services;

(g) Evidence that serious consideration was given to the purchase of services from private and public agencies, *and the criteria used to determine whether services would be purchased*; and

(h) Methods whereby community social service programs will be monitored and evaluated by the county.

Sec. 7. [EFFECTIVE DATE.]

Sections 1 to 6 are effective January 1, 1984."

Delete the title and insert:

"A bill for an act relating to public welfare; setting eligibility criteria for community social services; requiring information from users to be included in the planning process; prescribing duties of the commissioner; incorporating certain programs for the mentally ill and mentally retarded; amending Minnesota

Statutes 1982, sections 256E.06, subdivisions 2 and 3; and 256E.08, subdivision 9."

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

The report was adopted.

Kostohryz from the Committee on General Legislation and Veterans Affairs to which was referred:

S. F. No. 808, A bill for an act relating to the state seal; providing a description of the official state seal; amending Minnesota Statutes 1982, section 1.143; proposing new law coded in Minnesota Statutes, chapter 1; repealing Minnesota Statutes 1982, sections 1.144 and 358.02.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [1.135] [STATE SEAL]

Subdivision 1. [PURPOSE.] This section prescribes the design and states the historical symbolism of the Great Seal of the State of Minnesota.

Subd. 2. [OFFICIAL SEAL] The seal described in subdivision 3 is the "Great Seal of the State of Minnesota." When the seal, the impression of the seal, the scene within the seal, or its likeness is reproduced at state expense, it must conform to subdivision 3 and section 4.04. A seal, impression, scene, or likeness which does not conform to these provisions is not official.

Subd. 3. [DESIGN.] The design of the seal is as described in this subdivision.

(a) The seal is composed of two concentric borders. The outside forms the border of the seal and the inside forms the border for the illustrations within the seal. The area between the two borders contains lettering.

(b) The seal is two inches in diameter. The outside border has a radius of one inch and resembles the serrated edge of a coin. The width of the border is 1/16 of an inch.

(c) The inside border has a radius of three-fourths of an inch and is composed of a series of closely spaced dots measuring 1/32 of an inch in diameter.

(d) *Within the area between the borders "The Great Seal of the State of Minnesota." is printed in capital letters. Under that is the date "1858," with two dagger symbols separating the date and the letters. The lettering is 14 point century bold.*

(e) *In the area within the inside border is the portrayal of an 1858 Minnesota scene made up of various illustrations that serve to depict a settler plowing the ground near the falls of St. Anthony while he watches an Indian on horseback riding in the distance.*

(f) *For the purposes of description, when the area within the inside border is divided into quadrants, the following illustrations should be clearly visible in the area described.*

(1) *In the upper parts of quadrants one and two, the inscription "L'Etoile du Nord" is found on the likeness of a scroll whose length is equal to twice the length of the inscription, but whose ends are twice folded underneath and serve to enhance the inscription. The lettering is seven point century bold.*

(2) *In quadrant two is found a likeness of a rising sun whose ambient rays form a background for a male Indian in loincloth and plume riding on horseback at a gallop. The Indian is sitting erect and is holding a spear in his left hand at an upward 60-degree angle to himself and is looking toward the settler in quadrant four.*

(3) *In quadrant one, three pine trees form a background for a picturesque resemblance of St. Anthony Falls in 1858.*

(4) *In quadrants three and four, cultivated ground is found across the lower half of the seal, which provides a background for the scenes in quadrants three and four.*

(5) *In quadrant three, a tree stump is found with an ax embedded in the stump and a period muzzle loader resting on it. A powder flask is hanging towards the end of the barrel.*

(6) *In quadrant four, a white barefoot male pioneer wearing clothing and a hat of that period is plowing the earth, using an animal-drawn implement from that period. The animal is not visible. The torso of the man continues into quadrant two, and he has his legs spread apart to simulate movement. He is looking at the Indian.*

Subd. 4. [ADDITIONAL EFFECTS; SIZE.] *Every effort shall be made to reproduce the seal with justification to the 12 o'clock position and with attention to the authenticity of the illustrations used to create the scene within the seal. The description of the scene in this section does not preclude the graphic inclusion of the effects of movement, sunlight, or falling water*

when the seal is reproduced. Nor does this section prohibit the enlargement, proportioned reduction, or embossment of the seal for its use in unofficial acts.

Subd. 5. [HISTORICAL SYMBOLISM OF SEAL.] The sun, visible on the western horizon, signifies summer in the northern hemisphere. The horizon's visibility signifies the flat plains covering much of Minnesota. The Indian on horseback is riding due south and represents the great Indian heritage of Minnesota. The Indian's horse and spear and the Pioneer's ax, rifle, and plow represent tools that were used for hunting and labor. The stump symbolizes the importance of the lumber industry in Minnesota's history. The Mississippi River and St. Anthony Falls are depicted to note the importance of these resources in transportation and industry. The cultivated ground and the plow symbolize the importance of agriculture in Minnesota. Beyond the falls three pine trees represent the state tree and the three great pine regions of Minnesota; the St. Croix, Mississippi, and Lake Superior.

Subd. 6. [STATE'S DUTIES.] State agencies and departments using the seal, its impression, the scene within the seal or its likeness shall make every effort to bring any seal, impression, scene, or likeness currently fixed to a permanent object into accordance with this section and section 4.04. Expendable material to which the seal or any impression, scene, or likeness is currently affixed may be used until the supply is exhausted. All unused dies and engravings of the Great Seal shall be given to the Minnesota historical society, along with all historical information available about the seal, to be retained in the society's permanent collection.

Sec. 2. Minnesota Statutes 1982, section 1.143, is amended to read:

1.143 [STATE TREE, DESIGNATION.]

Subdivision 1. The Red pine (Pinus resinosa), more commonly known as Norway pine, is hereby designated as the official state tree of the State of Minnesota.

Subd. 2. A photograph of the Red pine, to be obtained and approved by the commissioner of natural resources, shall be certified and preserved in the office of the secretary of state.

Sec. 3. [5.071] [SECRETARY OF STATE'S DUTIES.]

The secretary of state shall secure, file, and retain custodial control over a description, photograph, and reproduction proof of the impression of the seal for viewing by the public. The secretary shall also secure and file all historical information pertaining to the reproduction and use of the seal. The department of

administration shall respond to any inquiries about duplication of the seal for state agencies.

Sec. 4. [REPEALER.]

Minnesota Statutes 1982, sections 1.144 and 358.02, are repealed."

Amend the title as follows:

Page 1, line 5, delete "chapter 1" and insert "chapters 1 and 5"

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

The report was adopted.

Mann from the Committee on Transportation to which was referred:

S. F. No. 1104, A bill for an act relating to motor vehicles; clarifying requirements for issuance of a Minnesota identification card; amending Minnesota Statutes 1982, section 171.07, subdivision 3.

Reported the same back with the following amendments:

Page 1, line 15, after the comma insert "*or a person licensed to drive under an instruction permit,*"

Page 1, line 23, before the period insert "*or "permit driver"*"

Page 2, line 2, delete "*the day following final enactment*" and insert "*January 1, 1984*"

Amend the title as follows:

Page 1, line 3, after the semicolon insert "*providing for the issuance of a Minnesota identification card to permit drivers;*"

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

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. Nos. 109, 422, 762, 790, 929, 1033, 1190, 1208 and 1236 were read for the second time.

SECOND READING OF SENATE BILLS

S. F. Nos. 1067, 92, 159, 246, 323, 541, 554, 627, 673, 679, 723, 808 and 1104 were read for the second time.

INTRODUCTION AND FIRST READING
OF HOUSE BILLS

The following House Files were introduced:

Nelson, D., introduced:

H. F. No. 1260, A bill for an act relating to real property; providing for the effect of payment of taxes on a claim of title by adverse possession; amending Minnesota Statutes 1982, section 541.02.

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

Bergstrom and Peterson introduced:

H. F. No. 1261, A bill for an act relating to taxation; abolishing the aggregate removal tax; allowing Sherburne County to impose an aggregate removal tax; prescribing penalties; repealing Minnesota Statutes 1982, section 298.75; Laws 1961, chapter 605; Laws 1963, chapter 475; Laws 1965, chapter 163; Laws 1977, chapters 112 and 117; and Laws 1979, chapter 273.

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

Sherman, Dempsey, Vanasek, Hokr and Piper introduced:

H. F. No. 1262, A bill for an act relating to taxation; sales and use tax; providing an exemption for wrapping paper purchased for custom meat processing; amending Minnesota Statutes 1982, section 297A.25, subdivision 1.

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

Battaglia, Begich, Murphy, Elioff and Vellenga introduced:

H. F. No. 1263, A bill for an act relating to transportation; state-aid system; providing for a contested case proceeding for differing determinations of money needs for a county; amending Minnesota Statutes 1982, section 162.07, subdivision 5.

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

HOUSE ADVISORIES

The following House Advisories were introduced:

Johnson, Jensen, DenOuden, Kalis and Graba introduced:

H. A. No. 15, A proposal for an interim study of directional signing on roads and highways.

The advisory was referred to the Committee on Transportation.

Olsen and Vellenga introduced:

H. A. No. 16, A proposal to require a study of manufactured homes and parks.

The advisory was referred to the Committee on Energy.

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. 656, A bill for an act relating to intoxicating liquor; allowing the city of Marble to permit on-sales of intoxicating liquor on a certain date.

H. F. No. 721, A bill for an act relating to the city of Babbitt; authorizing the establishment of detached banking facilities.

H. F. No. 741, A bill for an act relating to real estate; regulating the duties of a county recorder; amending Minnesota Statutes 1982, sections 386.31; 386.36; 580.24; 580.25; 582.03; 582.04; repealing Minnesota Statutes 1982, section 357.181.

H. F. No. 764, A bill for an act relating to retirement; qualifying park district police for certain pension aids; amending Minnesota Statutes 1982, section 69.011, subdivision 1.

H. F. No. 953, A bill for an act relating to the city of Silver Bay; authorizing the establishment of detached banking facilities.

H. F. No. 959, A bill for an act relating to commerce; authorizing certain retailers of motor vehicle fuel to compute sales by the half-gallon; proposing new law coded in Minnesota Statutes 1982, section 325E.095.

H. F. No. 1122, A bill for an act relating to the town of Flowing; permitting the town to conduct elections and town business in a nearby city.

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. 251, A bill for an act relating to retirement; police and salaried firefighters relief associations; modifying the governance of the trust funds after the local relief association ceases to exist; updating obsolete language; clarifying ambiguous language; amending Minnesota Statutes 1982, section 423A.01, subdivisions 2 and 4.

PATRICK E. FLAHAVEN, Secretary of the Senate

Rodriguez, F., moved that the House refuse to concur in the Senate amendments to H. F. No. 251, 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. 30, A bill for an act relating to veterans affairs; providing residents of the Minnesota veterans home with a right to complain about home accommodations and services; prohibiting retaliatory eviction of residents who exercise their right to complain; proposing new law coded in Minnesota Statutes, chapter 198.

PATRICK E. FLAHAVEN, Secretary of the Senate

Skoglund moved that the House refuse to concur in the Senate amendments to H. F. No. 30, 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. 76, A bill for an act relating to the environment; establishing an environmental response, compensation and compliance fund to pay for removal and remedial action associated with certain hazardous substances released into the environment and for other purposes; providing for liability for cleanup costs, personal injury, economic loss, and damage to natural resources resulting from releases of hazardous substances; imposing taxes, fees, and penalties; providing for injunctive relief; appropriating money; amending Minnesota Statutes 1982, sections 115A.24, subdivision 1; 466.01, by adding a subdivision; and 466.04, subdivision 1; proposing new law coded in Minnesota Statutes, chapter 116; proposing new law coded as Minnesota Statutes, chapter 115B; repealing Minnesota Statutes 1982, section 115A.24, subdivision 2.

PATRICK E. FLAHAVEN, Secretary of the Senate

Long moved that the House refuse to concur in the Senate amendments to H. F. No. 76, 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 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. 870, A bill for an act relating to state government; authorizing the commissioner of the department of economic security to adopt permanent or temporary rules; proposing new law coded in Minnesota Statutes, chapter 268; repealing Minnesota Statutes 1982, section 268.12, subdivision 3.

The Senate has appointed as such committee Messrs. Pogemiller, Merriam 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 has concurred in and adopted the report of the Conference Committee on:

H. F. No. 26, A bill for an act relating to commerce; consumer protection; requiring the repair, refund, or replacement of new motor vehicles under certain circumstances; proposing new law coded in Minnesota Statutes, chapter 325F.

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 refuses to concur in the House amendment to:

S. F. No. 708, A bill for an act relating to the court system; removing obsolete references to justice of the peace and magistrate; amending Minnesota Statutes 1982, sections 72A.12, subdivision 5; 72A.30; 88.645; 97.50, subdivisions 1 and 7; 115.32, subdivision 3; 127.09; 127.17, subdivision 4; 144.12, subdivision 1; 168.46; 169.42, subdivision 5; 169.91; 169.95; 169.965, subdivision 3; 169.966, subdivision 3; 169.971, subdivision 4; 171.08; 171.16, subdivision 1; 181.09; 181.17; 219.32; 219.97, subdivision 13; 290.58; 297A.42, subdivision 2; 299F.40, subdivision 5; 340.85, subdivision 2; 340.91; 345.02; 345.03; 345.04; 345.05; 345.06; 345.14; 346.03; 346.04; 346.09, subdivision 1; 347.04; 347.05; 347.06; 357.12; 357.16; 357.22; 357.27; 357.29; 358.15; 359.061; 359.11; 361.27, subdivision 2; 365.52; 366.20; 367.11; 367.25, subdivision 1; 368.01, subdivision 20; 373.09; 375.24; 390.15; 390.20; 390.31, subdivision 2; 390.33, subdivisions 2 and 6; 395.23; 412.02, subdivision 1; 412.021, subdivision 2; 412.023, subdivision 5; 412.111; 412.861, subdivision 3; 473.608, subdivision 17; 485.07; 488A.021, subdivision 4; 488A.09, subdivision 7; 488A.19, subdivision 5; 490.18; 509.04; 514.29; 514.34; 542.05; 549.03; 550.17; 571.50; 571.58; 571.65; 574.20; 574.35; 588.01, subdivision 3; 588.02; 593.21; 609.27, subdivision 1; 609.415, subdivision 1; 609.66, subdivision 1; 611.07, subdivision 1; 611.17; 617.27; 624.62; 625.01; 625.02; 625.03; 625.04; 625.05; 625.06; 625.07; 625.08; 625.09; 625.10; 625.11; 625.12; 625.13; 625.14; 625.15; 625.17; 625.18; 626.04; 626.05, subdivision 1; 626.06; 626.09; 626.11; 626.14; 626.15; 626.17; 626.66; 629.03; 629.13; 629.14; 629.15; 629.16; 629.17; 629.18; 629.23, subdivision 3; 629.31; 629.36; 629.363; 629.364; 629.39; 629.401; 629.403; 629.41; 629.44; 629.45; 629.53; 629.54; 629.55; 629.60; 629.62; 630.17; 630.37; 631.04; 636.08; 641.07; 641.25; and 648.39, subdivision 3; repealing Minnesota Statutes 1982, sections 357.14; 357.15; 367.03, subdivision 4; 367.21; 388.02; 412.02, subdivision 5; 412.171; 487.01, subdivision 8; 488A.283; 488A.284; 492.02, subdivision 2; 542.15; 549.16; 599.21; 599.22; 599.23; 609.46; 629.56; 629.66; and 629.71.

And the Senate respectfully requests that a Conference Committee be appointed thereon. The Senate has appointed as such committee Messrs. Peterson, R. W.; Merriam and Storm.

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

Clawson 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. 708. The motion prevailed.

Mr. Speaker:

I hereby announce that the Senate refuses to concur in the House amendment to:

S. F. No. 61, A bill for an act relating to crimes; requiring operators of certain vehicles to provide insurance information to peace officers; providing penalties; increasing penalties for failure to stop at the scene of certain accidents; amending Minnesota Statutes 1982, sections 65B.67, by adding a subdivision; and 169.09, subdivisions 1, 3, 6, 7, and 14.

And the Senate respectfully requests that a Conference Committee be appointed thereon. The Senate has appointed as such committee Messrs. Luther, Pogemiller 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

Brandl 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. 61. The motion prevailed.

Mr. Speaker:

I hereby announce that the Senate refuses to concur in the House amendment to:

S. F. No. 267, A bill for an act relating to taxation; increasing the amount of reduced valuations required to be maintained as public record; allowing the commissioner discretion in apportioning levies; increasing the amount of reduction in valuation requiring an opportunity for hearing; allowing county auditors to combine legal descriptions over section lines; classifying farm rental value data; excluding certain corporations from receiving agricultural property tax valuation; providing for continuation of open space treatment; providing for the assessment of certain class 3 property based upon its use; requiring publication of certain requirements for obtaining a homestead after the assessment date; removing special taxing districts from levy limits; allowing counties to charge for NSF checks; providing for rounding of tax amounts on tax statements; directing the use of the previous years mill rate when distributing delinquent tax proceeds; changing the date

for filing list of delinquent personal property taxes; extending application of the alternate sale procedure; increasing the fee for lost deeds; changing the process for distributing mortgage registration tax proceeds; raising the fee for trip permits; requiring filing of an amended estate tax return in certain situations; clarifying the date interest accrues on estate tax amounts due; providing for department action following the filing of an amended return; requiring state's share of federal credit to not be less than state's share of the estate; providing a definition of surviving spouse for estate tax purposes; requiring filing of final account to commissioner of revenue; changing the requirement for filing a declaration of estimated gross earnings tax; imposing a penalty for failure to pay estimated gross earnings tax; extending the time allowed to claim gasoline or special fuel tax refunds; changing the requirements relating to distribution of free samples of cigarettes; imposing a penalty for failure to pay the tax on wines and spirituous liquors; conforming penalties for nonpayment of tax on beer to penalties imposed on other taxes; delaying implementation of the assessment penalty; requiring payment of current taxes before a plat is recorded; amending Minnesota Statutes 1982, sections 270.10, subdivisions 1 and 3; 270.12, subdivision 3; 270.19; 272.46, subdivision 2; 273.11, subdivision 7; 273.111, subdivision 3; 273.112, subdivision 7, and by adding a subdivision; 273.13, subdivisions 4, and 16; 275.50, subdivision 2; 276.02; 276.04; 276.10; 277.02; 282.01, subdivision 7a; 282.33, subdivision 1; 287.08; 291.005, subdivision 1; 291.03, subdivision 1; 291.07, subdivision 1; 291.09, subdivision 3a; 291.131, subdivision 6; 291.132, subdivision 1; 291.215, subdivision 3; 295.365; 295.366, subdivision 1; 296.17, subdivisions 3 and 17; 297.03, subdivision 10; 340.485, subdivision 1, and by adding subdivisions; 340.492; 477A.04; 505.04; repealing Minnesota Statutes 1982, sections 272.022; 272.023; 272.024; 273.13, subdivision 18; 273.23; 273.24; 273.28; 273.29; 273.30; 273.31; 273.34; 273.44; 273.45; 273.52; 288.01; 288.02; 288.03; 288.04; 288.05; 291.07, subdivision 3; and 473F.04.

And the Senate respectfully requests that a Conference Committee be appointed thereon. The Senate has appointed as such committee Messrs. Pogemiller, Merriam and Sieloff.

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

Scheid 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. 267. 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. 529, A bill for an act relating to crimes; providing that acquittal or conviction of the crime of kidnapping does not bar conviction for any other crime committed during the time of the victim's confinement; amending Minnesota Statutes 1982, sections 609.035 and 609.25.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Coleman moved that the House concur in the Senate amendments to H. F. No. 529 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 529, A bill for an act relating to crimes; providing that acquittal or conviction of the crime of kidnapping does not bar conviction for any other crime committed during the time of the victim's confinement; amending Minnesota Statutes 1982, section 609.035; proposing new law coded in Minnesota Statutes, chapter 609.

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:

Anderson, B.	Dempsey	Hoffman	Marsh	Peterson
Anderson, G.	DenOuden	Hokr	McDonald	Piepho
Battaglia	Dimler	Jacobs	McEachern	Piper
Beard	Eken	Jennings	McKasy	Price
Begich	Elioff	Jensen	Metzen	Quist
Bennett	Erickson	Johnson	Miune	Redalen
Bergstrom	Findlay	Kahn	Munger	Reif
Berkelman	Fjoslien	Kalis	Murphy	Rice
Bishop	Forsythe	Kelly	Nelson, D.	Riveness
Brandl	Frerichs	Knickerbocker	Nelson, K.	Rodosovich
Brinkman	Graba	Knuth	Neuenschwander	Rodriguez, C.
Burger	Greenfield	Kostohryz	Norton	Rodriguez, F.
Carlson, D.	Cruenes	Krueger	O'Connor	Rose
Carlson, L.	Gustafson	Kvam	Ogren	St. Onge
Clark, J.	Gutknecht	Larsen	Olsen	Sarna
Clark, K.	Halberg	Levi	Omann	Schafer
Clawson	Haukoos	Long	Onnen	Scheid
Cohen	Heinitz	Ludeman	Osthoff	Schoenfeld
Coleman		Mann	Otis	Schreiber

Seaberg	Solberg	Thiede	Vanasek	Wenzel
Segal	Sparby	Tomlinson	Voss	Wigley
Shaver	Stadium	Tunheim	Waltman	Wynia
Shea	Staten	Uphus	Welch	Zaffke
Sherman	Sviggum	Valan	Welker	Speaker Sieben
Skoglund	Swanson	Valento	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. 730, A bill for an act relating to drivers licenses; prohibiting the operation of a motor vehicle in this state by either a resident or nonresident whose license has been revoked, suspended, or cancelled until Minnesota driving privileges are reinstated; amending Minnesota Statutes 1982, section 171.20, subdivision 2; repealing Minnesota Statutes 1982, section 171.181, subdivision 2.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Segal moved that the House concur in the Senate amendments to H. F. No. 730 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 730, A bill for an act relating to drivers licenses; prohibiting the operation of a motor vehicle in this state by either a resident or nonresident whose license has been revoked, suspended, or cancelled until Minnesota driving privileges are reinstated; amending Minnesota Statutes 1982, section 171.20, subdivision 2; repealing Minnesota Statutes 1982, section 171.181, 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 124 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Bennett	Brinkman	Clark, K.	DenOuden
Anderson, C.	Bergstrom	Burger	Clawson	Dimler
Battaglia	Berkelman	Carlson, D.	Cohen	Eken
Beard	Bishop	Carlson, L.	Coleman	Elioff
Begich	Brandl	Clark, J.	Dempsey	Erickson

Findlay	Kalis	Nelson, D.	Rodriguez, C.	Sviggum
Ejoslien	Kelly	Nelson, K.	Rodriguez, F.	Swanson
Forsythe	Knickerbocker	Neuenschwander	Rose	Thiede
Frerichs	Knuth	Norton	St. Onge	Tomlinson
Graba	Kostohryz	O'Connor	Sarna	Tunheim
Greenfield	Krueger	Ogren	Schafer	Uphus
Gruenes	Kvam	Olsen	Scheid	Valan
Gustafson	Larsen	Omann	Schoenfeld	Valento
Gutknecht	Levi	Onnen	Schreiber	Vanasek
Halberg	Long	Osthoff	Seaberg	Voss
Haukoos	Ludeman	Peterson	Segal	Waltman
Heap	Mann	Piepho	Shaver	Welch
Heinitz	Marsh	Piper	Shea	Welker
Hoffman	McDonald	Price	Sherman	Welle
Hokr	McEachern	Quist	Simoneau	Wenzel
Jacobs	McKasy	Redalen	Skoglund	Wigley
Jennings	Metzen	Reif	Solberg	Wynia
Jensen	Minne	Rice	Sparby	Zaffke
Johnson	Munger	Riveness	Stadum	Speaker Sieben
Kahn	Murphy	Rodosovich	Staten	

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. 581, A bill for an act relating to counties; providing for the formal extinction of certain abandoned interests in county highways; amending Minnesota Statutes 1982, section 163.11, by adding a subdivision.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Minne moved that the House concur in the Senate amendments to H. F. No. 581 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 581, A bill for an act relating to counties; providing for the formal extinction of certain abandoned interests in county highways; amending Minnesota Statutes 1982, section 163.11, 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 126 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Fjoslien	Larsen	Piper	Stadum
Anderson, G.	Forsythe	Levi	Price	Staten
Battaglia	Frerichs	Long	Quist	Sviggum
Beard	Greenfield	Ludeman	Redalen	Swanson
Begich	Gruenes	Mann	Reif	Thiede
Bennett	Gustafson	Marsh	Rice	Tomlinson
Bergstrom	Gutknecht	McDonald	Riveness	Tunheim
Berkelman	Halberg	McEachern	Rodosovich	Uphus
Bishop	Haukoos	McKasy	Rodriguez, C.	Valan
Brandl	Heap	Metzen	Rodriguez, F.	Valento
Brinkman	Heinitz	Minne	Rose	Vanasek
Burger	Himle	Munger	St. Onge	Vellenga
Carlson, D.	Hoffman	Murphy	Sarna	Voss
Carlson, L.	Hokr	Nelson, D.	Schafer	Waltman
Clark, J.	Jacobs	Nelson, K.	Scheid	Welch
Clark, K.	Jennings	Neuenschwander	Schoenfeld	Welker
Clawson	Jensen	Norton	Schreiber	Welle
Cohen	Johnson	O'Connor	Seaberg	Wenzel
Coleman	Kahn	Ogren	Segal	Wigley
Dempsey	Kalis	Olsen	Shaver	Wynia
DenOuden	Kelly	Omman	Shea	Zaifke
Dimler	Knickerbocker	Onnen	Sherman	Speaker Sieben
Eken	Knuth	Osthoff	Simoneau	
Elioff	Kostohryz	Otis	Skoglund	
Erickson	Krueger	Peterson	Solberg	
Findlay	Kvam	Piepho	Sparby	

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. 301, 378, 462, 525, 601, 661 and 756.

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. 799, 856, 954, 987 and 1105.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

S. F. No. 1012.

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. 721, 752 and 823.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker :

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

S. F. No. 964.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker :

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

S. F. No. 545.

PATRICK E. FLAHAVEN, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 301, A bill for an act relating to the environment; imposing stricter criminal penalties for persons convicted of violating laws or rules relating to hazardous waste; providing that unlawful disposal of hazardous wastes is a felony; amending Minnesota Statutes, section 115.071, subdivision 2, and by adding subdivisions.

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

S. F. No. 378, A bill for an act relating to taxation; extending availability of confession of judgment procedure to certain non-homestead property; amending Minnesota Statutes 1982, section 279.37, subdivisions 1 and 3.

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

S. F. No. 462, A bill for an act relating to liquor; authorizing employment of persons under 18 in establishments licensed to sell wine only; amending Minnesota Statutes 1982, section 340.14, subdivision 2.

The bill was read for the first time.

Himle moved that S. F. No. 462 and H. F. No. 681, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 525, A bill for an act relating to marriage dissolution; providing a summary dissolution procedure; amending Minnesota Statutes 1982, section 518.145; proposing new law coded in Minnesota Statutes, chapter 518.

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

S. F. No. 601, A bill for an act relating to housing; modifying requirements that housing programs for urban Indians in the city of Duluth combine appropriated money with funds from other sources whenever possible; amending Minnesota Statutes 1982, section 462A.07, subdivision 15; and Laws 1978, chapter 670, section 3, subdivision 3.

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

S. F. No. 661, A bill for an act relating to taxation; providing for apportionment of property tax refund claims for unrelated persons occupying a homestead; amending Minnesota Statutes 1982, sections 290A.03, subdivisions 8 and 13; and 290A.05.

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

S. F. No. 756, A bill for an act relating to negligence; removing bars to actions in certain cases; amending Minnesota Statutes 1982, section 604.06.

The bill was read for the first time.

Voss moved that S. F. No. 756 and H. F. No. 873, now on the Consent Calendar, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 799, A bill for an act relating to financial institutions; electronic financial terminals; regulating the use of terminals by financial institutions located outside the state; amending Minnesota Statutes 1982, section 47.64, subdivision 6.

The bill was read for the first time and referred to the Committee on Financial Institutions and Insurance.

S. F. No. 856, A bill for an act relating to real property; requiring certification by the municipality prior to transfer by the county auditor of certain unplatted properties; amending Minnesota Statutes 1982, section 272.162, subdivisions 2 and 3.

The bill was read for the first time.

Jacobs moved that S. F. No. 856 and H. F. No. 831, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 954, A bill for an act relating to commerce; mechanics' liens; providing notice requirements for certain contractors; increasing the time periods relating to an owner's obligation to pay a contractor and the duration of the lien; providing penalties for falsely filing liens; amending Minnesota Statutes 1982, sections 514.011, subdivisions 1 and 2; 514.07; 514.08, subdivision 1, and by adding a subdivision; and 514.10.

The bill was read for the first time.

Ellingson moved that S. F. No. 954 and H. F. No. 1208, now on Technical General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 987, A bill for an act relating to natural resources; eliminating obsolete material and updating certain provisions relating to decorative trees; amending Minnesota Statutes 1982, sections 88.641, subdivision 1; 88.642; 88.644; and 88.648; repealing Minnesota Statutes 1982, sections 88.641, subdivision 3; 88.643; 88.646; and 88.649.

The bill was read for the first time.

Graba moved that S. F. No. 987 and H. F. No. 1100, now on the Consent Calendar, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1105, A bill for an act relating to state lands; providing for the conveyance of certain state land to the city of St. Peter for use as a roadway.

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

S. F. No. 1012, A bill for an act relating to waste management; amending the Waste Management Act of 1980; providing for the evaluation of bedrock disposal of hazardous waste; providing for participation by private developers and operators of waste facilities in the evaluation of hazardous waste disposal sites; creating phases of environmental impact statements; expanding the definition of hazardous waste; extending the deadlines for the adoption of certain hazardous waste rules; extending certain deadlines of the metropolitan council; clarifying the contents of environmental impact statements; providing reports to counties on permit conditions and permit application requirements for county sites; authorizing issuance of bonds by Washington and Ramsey counties for a solid waste facility; amending Minnesota Statutes 1982, sections 115.071, subdivision 3; 115A.03, subdivision 10; 115A.05, subdivisions 2 and 3; 115A.06, subdivision 4; 115A.08, subdivisions 4, 5, and 6; 115A.10; 115A.11, subdivisions 1 and 2; 115A.21; 115A.22, subdivisions 1, 3, 4, 6, and 7; 115A.24, subdivision 1; 115A.25, subdivisions 1, 2, 3, and by adding subdivisions; 115A.26; 115A.27, subdivision 2; 115A.28, subdivisions 1, 2, and 3; 115A.30; 115A.54, subdivision 2; 115A.67; 115A.70, subdivision 3; 116.06, subdivision 13, and by adding a subdivision; 116.07, subdivision 4; 116.41, subdivision 1a; 473.149, subdivisions 2b, 2c, 2d, 2e, and 4; 473.153, subdivisions 2, 5, 6, 6b, and by adding a subdivision; 473.803, subdivisions 1a and 1b; 473.823, subdivision 6; 473.831, subdivision 2; 473.833, subdivisions 2a, 3, 7, and by adding a subdivision; proposing new law coded in Minnesota Statutes, chapter 115A; repealing Minnesota Statutes 1982, sections 115A.23; 115A.27, subdivision 1; 116.07, subdivision 4c; and 116.41, subdivision 1.

The bill was read for the first time.

Long moved that S. F. No. 1012 and H. F. No. 1074, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 721, A bill for an act relating to local government; authorizing Carver and Washington counties to finance sewage disposal systems on behalf of cities and towns in the counties by the issuance of county general obligation bonds.

The bill was read for the first time.

McDonald moved that S. F. No. 721 and H. F. No. 777, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 752, A bill for an act relating to crimes; prohibiting assaulting a peace officer; prescribing penalties; amending Minnesota Statutes 1982, section 609.224; proposing new law coded in Minnesota Statutes, chapter 609.

The bill was read for the first time.

Osthoff moved that S. F. No. 752 and H. F. No. 774, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 823, A bill for an act relating to cities; authorizing the issuance of capital notes for certain equipment acquisitions; proposing new law coded in Minnesota Statutes, chapter 410.

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

S. F. No. 964, A bill for an act relating to corporations; providing for the determination of eligibility for the indemnification of certain persons; prohibiting the use of corporate information obtained improperly; authorizing the use of protective orders and other relief to prevent the premature disclosure of certain confidential information or the use of corporate information obtained improperly; permitting the use of corporate names of corporations not filing the active status report; restricting the right of a corporation to deny cumulative voting; protecting preemptive rights of shareholders; clarifying when equitable relief is available to minority stockholders; providing for the retention of cumulative voting and preemptive rights after incorporation; amending Minnesota Statutes 1982, sections 300.083, subdivision 6; 302A.115, by adding a subdivision; 302A.215; 302A.413, by adding a subdivision; 302A.461, subdivisions 4, 6, and by adding a subdivision; 302A.521, subdivision 6; and 302A.751, subdivision 1, and by adding a subdivision.

The bill was read for the first time.

Ellingson moved that S. F. No. 964 and H. F. No. 1021, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 545, A bill for an act relating to welfare; changing laws relating to child support enforcement; providing for determination of paternity; providing for determination and modification of child support; amending Minnesota Statutes 1982, sections 256.74, by adding a subdivision; 256.87; 257.55, subdivision 1; 257.58; 257.59, subdivision 1; 257.60; 257.62, subdivision 1, and by adding subdivisions; 257.64, subdivision 1; 257.66, subdivisions 3 and 4; 257.69, subdivision 2; 518.10; 518.17, by adding a subdivision; 518.551, subdivisions 1, 5, and 6, and by adding subdivisions; 518.611; 518.64, subdivisions 2 and 5, and by adding a subdivision; 518.645; 518B.01, subdivisions 2 and 6; 518C.17, subdivision 1; 518C.33, subdivision 1; and 548.09; proposing new law coded in Minnesota Statutes, chapters 257, 518, and 543; repealing Minnesota Statutes 1982, sections 256.87, subdivision 2; 256.872; 256.873; 256.876; and 518.551, subdivisions 2, 3, and 4.

The bill was read for the first time.

Brandl moved that S. F. No. 545 and H. F. No. 762, now on Technical General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

CONSENT CALENDAR

S. F. No. 611, A bill for an act relating to occupations and professions; limiting municipal regulation of tow truck operators; limiting removal by tow trucks from private property; proposing new law coded in Minnesota Statutes, chapter 465.

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 122 yeas and 1 nay as follows:

Those who voted in the affirmative were:

Anderson, B.	Coleman	Himle	Mann	Otis
Anderson, G.	Dempsey	Hoffman	Marsh	Peterson
Battaglia	Dimler	Hokr	McDonald	Piepho
Beard	Elioff	Jacobs	McEachern	Piper
Begich	Erickson	Jennings	McKasy	Price
Bennett	Findlay	Jensen	Metzen	Quinn
Bergstrom	Fjoslien	Johnson	Minne	Quist
Berkelman	Forsythe	Kalis	Munger	Redalen
Bishop	Frerichs	Kelly	Murphy	Reif
Brandl	Graba	Knickerbocker	Nelson, D.	Rice
Brinkman	Greenfield	Knuth	Nelson, K.	Riveness
Burger	Gruenes	Kostohryz	Neuenschwander	Rodosovich
Carlson, D.	Gustafson	Krueger	Norton	Rodriguez, C.
Carlson, L.	Gutknecht	Kvam	Ogren	Rodriguez, F.
Clark, J.	Halberg	Larsen	Olsen	Rose
Clark, K.	Haukoos	Levi	Ormann	St. Onge
Clawson	Heap	Long	Onnen	Sarna
Cohen	Heinitz	Ludeman	Osthoff	Schafer

Scheid	Sherman	Sviggum	Valento	Wigley
Schoenfeld	Simoneau	Swanson	Vellenga	Wynia
Schreiber	Skoglund	Thiede	Voss	Zaffke
Seaberg	Solberg	Tomlinson	Waltman	Speaker Sieben
Segal	Sparby	Tunheim	Welch	
Shaver	Stadum	Uphus	Welch	
Shea	Staten	Valan	Wenzel	

Those who voted in the negative were:

Welker

The bill was passed and its title agreed to.

S. F. No. 653, A bill for an act relating to natural resources; authorizing the marking of canoe and boating routes on the Pine river; amending Minnesota Statutes 1982, section 85.32, 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 126 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Fjoslien	Kvam	Piper	Sparby
Anderson, G.	Forsythe	Larsen	Price	Stadum
Battaglia	Frerichs	Levi	Quinn	Staten
Beard	Graba	Long	Quist	Sviggum
Begich	Greenfield	Ludeman	Redalen	Swanson
Bennett	Gruenes	Mann	Reif	Thiede
Bergstrom	Gustafson	Marsh	Rice	Tunheim
Berkelman	Gutknecht	McDonald	Riveness	Uphus
Bishop	Halberg	McEachern	Rodosovich	Valan
Brandl	Haukoos	McKasy	Rodriguez, C.	Valento
Brinkman	Heap	Metzen	Rodriguez, F.	Vanasek
Burger	Heinitz	Minne	Rose	Vellenga
Carlson, D.	Himle	Munger	St. Onge	Voss
Carlson, L.	Hoffman	Murphy	Sarna	Waltman
Clark, J.	Hokr	Nelson, D.	Schafer	Welch
Clark, K.	Jacobs	Nelson, K.	Scheid	Welker
Clawson	Jennings	Neuenschwander	Schoenfeld	Welle
Cohen	Jensen	Norton	Schreiber	Wenzel
Coleman	Johnson	Ogren	Seaberg	Wigley
Dempsey	Kahn	Olsen	Segal	Wynia
DenOuden	Kalis	Omann	Shaver	Zaffke
Dimler	Kelly	Onnen	Shea	Speaker Sieben
Eken	Knickerbocker	Osthoff	Sherman	
Elioff	Knuth	Otis	Simoneau	
Erickson	Kostohryz	Peterson	Skoglund	
Findlay	Krueger	Piepho	Solberg	

The bill was passed and its title agreed to.

H. F. No. 1101, A bill for an act relating to natural resources; authorizing the commissioner to sell to or exchange surplus tree planting stock with other states and the federal government

under certain circumstances; amending Minnesota Statutes 1982, section 89.36, 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 126 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Forsythe	Larsen	Price	Stadum
Anderson, G.	Frerichs	Levi	Quinn	Staten
Battaglia	Graba	Long	Quist	Sviggum
Beard	Greenfield	Ludeman	Redalen	Swanson
Begich	Gruenes	Mann	Reif	Thiede
Bennett	Gustafson	Marsh	Rice	Tomlinson
Bergstrom	Gutknecht	McDonald	Riveness	Tunheim
Berkelman	Halberg	McEachern	Rodosovich	Uphus
Bishop	Haukoos	McKasy	Rodriguez, C.	Valan
Brandl	Heap	Metzen	Rodriguez, F.	Valento
Brinkman	Heinitz	Minne	Rose	Vanasek
Burger	Himle	Munger	St. Onge	Vellenga
Carlson, D.	Hoffman	Murphy	Sarna	Voss
Carlson, L.	Hokr	Nelson, K.	Schafer	Waltman
Clark, J.	Jacobs	Neuenschwander	Scheid	Welch
Clawson	Jennings	Norton	Schoenfeld	Wesker
Cohen	Jensen	O'Connor	Schreiber	Welle
Coleman	Johnson	Ogren	Seaberg	Wenzel
Dempsey	Kahn	Olsen	Segal	Wigley
DenOuden	Kalis	Omamn	Shaver	Wynia
Dimler	Kelly	Onnen	Shea	Zaffke
Eken	Knickerbocker	Osthoff	Sherman	Speaker Sieben
Elioff	Knuth	Otis	Simoneau	
Erickson	Kostohryz	Peterson	Skoglund	
Findlay	Krueger	Piepho	Solberg	
Fjoslien	Kvam	Piper	Sparby	

The bill was passed and its title agreed to.

S. F. No. 148, A bill for an act relating to natural resources; authorizing the commissioner of natural resources to extend timber permits; amending Laws 1981, chapter 305, section 11, 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 126 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Bennett	Brinkman	Clawson	Dimler
Anderson, G.	Bergstrom	Burger	Cohen	Eken
Battaglia	Berkelman	Carlson, D.	Coleman	Elioff
Beard	Bishop	Carlson, L.	Dempsey	Erickson
Begich	Brandl	Clark, J.	DenOuden	Findlay

Fjoslien	Kelly	Norton	Rose	Tomlinson
Forsythe	Knickerbocker	O'Connor	St. Onge	Tunheim
Frerichs	Knuth	Ogren	Sarna	Uphus
Graba	Kostohryz	Olsen	Schafer	Valan
Greenfield	Krueger	Omman	Scheid	Valento
Gruenes	Kvam	Onnen	Schoenfeld	Vanasek
Gustafson	Larsen	Osthoff	Schreiber	Vellenga
Gutknecht	Levi	Otis	Seaberg	Voss
Halberg	Long	Peterson	Segal	Waltman
Haukoos	Ludeman	Piepho	Shaver	Welch
Heap	Mann	Piper	Shea	Welker
Heinitz	Marsh	Price	Sherman	Welle
Himle	McDonald	Quinn	Simoneau	Wenzel
Hoffman	McEachern	Quist	Skoglund	Wigley
Hokr	McKasy	Redalen	Solberg	Wynia
Jacobs	Metzen	Reif	Sparby	Zaffke
Jennings	Minne	Rice	Stadum	Speaker Sieben
Jensen	Munger	Riveness	Staten	
Johnson	Murphy	Rodosovich	Sviggum	
Kahn	Nelson, K.	Rodriguez, C.	Swanson	
Kalis	Neuenschwander	Rodriguez, F.	Thiede	

The bill was passed and its title agreed to.

S. F. No. 464, A bill for an act relating to port authorities; providing for approval of port authority land sales; amending Minnesota Statutes 1982, section 458.17.

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 108 yeas and 15 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Fjoslien	Kvam	Piepho	Skoglund
Anderson, G.	Forsythe	Larsen	Piper	Solberg
Battaglia	Graba	Levi	Price	Sparby
Beard	Greenfield	Long	Quinn	Stadum
Begich	Gruenes	Mann	Quist	Staten
Bennett	Gustafson	McEachern	Redalen	Swanson
Bergstrom	Gutknecht	McKasy	Reif	Tomlinson
Berkelman	Halberg	Metzen	Riveness	Tunheim
Bishop	Heap	Minne	Rodosovich	Uphus
Brandl	Heinitz	Munger	Rodriguez, C.	Valan
Brinkman	Himle	Murphy	Rodriguez, F.	Valento
Burger	Hoffman	Nelson, K.	Rose	Vanasek
Carlson, D.	Jacobs	Neuenschwander	St. Onge	Vellenga
Carlson, L.	Jensen	Norton	Sarna	Voss
Clark, J.	Johnson	O'Connor	Scheid	Waltman
Clawson	Kahn	Ogren	Schoenfeld	Welch
Coleman	Kalis	Olsen	Schreiber	Welle
Dempsey	Kelly	Omman	Segal	Wenzel
Dimler	Knickerbocker	Onnen	Shaver	Wigley
Eken	Knuth	Osthoff	Shea	Speaker Sieben
Elioff	Kostohryz	Otis	Sherman	
Findlay	Krueger	Peterson	Simoneau	

Those who voted in the negative were:

Cohen	Frerichs	Ludeman	Schafer	Welker
DenOuden	Haukoos	McDonald	Seaberg	Wynia
Erickson	Jennings	Rice	Thiede	Zaffke

The bill was passed and its title agreed to.

S. F. No. 854, A bill for an act relating to commerce; providing for the filing and recording of mortgages and deeds of trust of pipeline companies; amending Minnesota Statutes 1982, section 300.115.

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 125 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Forsythe	Larsen	Piepho	Skoglund
Anderson, G.	Frerichs	Levi	Piper	Solberg
Battaglia	Graba	Long	Price	Sparby
Beard	Greenfield	Ludeman	Quinn	Stadum
Begich	Gruenes	Mann	Quist	Staten
Bergstrom	Gustafson	Marsh	Redalen	Swiggum
Berkelman	Gutknecht	McDonald	Reif	Swanson
Bishop	Halberg	McEachern	Rice	Thiede
Brandl	Haukoos	McKasy	Riveness	Tomlinson
Brinkman	Heap	Metzen	Rodosovich	Tunheim
Burger	Heinitz	Minne	Rodriguez, C.	Uphus
Carlson, L.	Himle	Munger	Rodriguez, F.	Valan
Clark, J.	Hoffman	Murphy	Rose	Valente
Clark, K.	Hokr	Nelson, D.	St. Onge	Vanasek
Clawson	Jacobs	Nelson, K.	Sarna	Vellenga
Cohen	Jennings	Neuenschwander	Schafer	Voss
Coleman	Jensen	Norton	Scheid	Waltman
Dempsey	Kahn	O'Connor	Schoenfeld	Welch
DenOuden	Kalis	Ogren	Schreiber	Welker
Dimler	Kelly	Olsen	Seaberg	Welle
Eken	Knickerbocker	Omann	Segal	Wenzel
Elioff	Knuth	Onnen	Shaver	Wigley
Erickson	Kostohryz	Osthoff	Shea	Wynia
Findlay	Krueger	Otis	Sherman	Zaffke
Fjoslien	Kvam	Peterson	Simoneau	Speaker Sieben

The bill was passed and its title agreed to.

CALENDAR

H. F. No. 521, A bill for an act relating to financial institutions; providing for the payment of hearing costs on contested applications; including credit union share insurance corporations and industrial loan and thrift guarantee issuers in the group of organizations permitted to receive examination reports; removing the requirement that a financial institution's board of directors hold qualifying shares; clarifying limitations on junior mort-

gage loans by banks; establishing application fees; removing a certain filing requirement; reducing the number of savings association incorporators; clarifying the notice requirements for savings association conversions; clarifying the industrial loan and thirft company lending limit and increasing the capital to deposit limitation; providing first installment requirements for regulated lenders and motor vehicle sales finance companies; providing credit insurance disclosure requirements for regulated lenders; clarifying financial corporation organizational requirements; amending Minnesota Statutes 1982, sections 45.04, subdivision 1; 46.07, subdivision 2; 47.54, subdivision 1; 48.06; 48.19, subdivision 1; 48.68; 49.36, subdivision 1; 49.37; 51A.03, subdivisions 1 and 4; 51A.065, subdivision 4; 51A.13, subdivisions 2 and 2a; 51A.23, subdivisions 6 and 7; 51A.51, subdivisions 2 and 3a; 52.203; 53.01; 53.03, subdivisions 1, 5, and 6; 53.04, subdivision 3a; 53.05; 53.06; 56.001, subdivision 3; 56.131, subdivision 1; 56.155, subdivision 1; 168.72, subdivision 1; 300.025; and 300.20; proposing new law coded in Minnesota Statutes, chapter 47.

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

The question was taken on the passage of the bill and the roll was called. There were 120 yeas and 7 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Findlay	Krueger	Osthoff	Shea
Anderson, G.	Fjoslien	Kvam	Otis	Sherman
Battaglia	Forsythe	Larsen	Peterson	Solberg
Beard	Frerichs	Levi	Piepho	Sparby
Begich	Graba	Long	Piper	Stadum
Bennett	Gruenes	Ludeman	Price	Swiggum
Bergstrom	Gustafson	Mann	Quinn	Swanson
Berkelman	Gutknecht	Marsh	Quist	Thiede
Bishop	Halberg	McDonald	Redalen	Tomlinson
Brandl	Haukoos	McEachern	Reif	Tunheim
Brinkman	Heap	McKasy	Riveness	Uphus
Burger	Heinitz	Metzen	Rodosovich	Valan
Carlson, D.	Himle	Minne	Rodriguez, C.	Valento
Carlson, L.	Hoffman	Munger	Rodriguez, F.	Vanasck
Clark, K.	Hokr	Murphy	Rose	Vellenga
Clawson	Jennings	Nelson, D.	St. Onge	Voss
Cohen	Jensen	Nelson, K.	Sarna	Waltman
Coleman	Johnson	Neuenschwander	Schafer	Welch
Dempsey	Kahu	Norton	Scheid	Welker
DenOuden	Kalis	O'Connor	Schoenfeld	Welle
Dimler	Kelly	Ogren	Schreiber	Wenzel
Eken	Knickerbocker	Olsen	Seaberg	Wigley
Elioff	Kuuth	Omam	Segal	Zaffke
Erickson	Kostohryz	Onnen	Shaver	Speaker Sieben

Those who voted in the negative were:

Clark, J.	Greenfield	Skoglund	Staten	Wynia
Ellingson	Rice			

The bill was passed and its title agreed to.

H. F. No. 270, A bill for an act relating to agriculture; providing that certain agricultural operations are not private or public nuisances; amending Minnesota Statutes 1982, section 561.19, subdivision 2; repealing Minnesota Statutes 1982, section 561.19, subdivision 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 123 yeas and 2 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Fjoslien	Krueger	Otis	Sparby
Anderson, G.	Forsythe	Kvam	Peterson	Stadum
Battaglia	Frerichs	Larsen	Piepho	Staten
Beard	Graba	Levi	Piper	Sviggum
Begich	Greenfield	Long	Price	Swanson
Bennett	Gruenes	Ludeman	Quist	Thiede
Bergstrom	Gustafson	Mann	Redalen	Tomlinson
Berkelman	Gutknecht	Marsh	Reif	Tunheim
Bishop	Halberg	McDonald	Rice	Uphus
Brandl	Haukoos	McEachern	Riveness	Valan
Brinkman	Heap	McKasy	Rodosovich	Valento
Burger	Heinitz	Metzen	Rodriguez, C.	Vanasek
Carlson, D.	Himle	Minne	Rodriguez, F.	Vellenga
Carlson, L.	Hoffman	Munger	Rose	Voss
Clawson	Hokr	Murphy	St. Onge	Waltman
Cohen	Jacobs	Nelson, D.	Sarna	Welch
Coleman	Jennings	Nelson, K.	Schafer	Welker
Dempsey	Jensen	Neuenschwander	Schoenfeld	Welle
DenOuden	Johnson	Norton	Schreiber	Wenzel
Dimler	Kahn	O'Connor	Seaberg	Wigley
Eken	Kalis	Ogren	Segal	Wynia
Elioff	Kelly	Olsen	Shaver	Zaffke
Ellingson	Knickerbocker	Omman	Shea	Speaker Sieben
Erickson	Knuth	Onnen	Sherman	
Findlay	Kostohryz	Osthoff	Solberg	

Those who voted in the negative were:

Clark, J. Skoglund

The bill was passed and its title agreed to.

H. F. No. 904, A bill for an act relating to transportation; establishing collective rate-making procedure for motor vehicle carriers; proposing new law coded in Minnesota Statutes, chapter 221.

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

The question was taken on the passage of the bill and the roll was called. There were 87 yeas and 35 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Graba	Levi	Piper	Solberg
Anderson, G.	Greenfield	Long	Price	Sparby
Battaglia	Gruenes	Mann	Quinn	Staten
Beard	Gustafson	Marsh	Rice	Swanson
Begich	Halberg	Minne	Riveness	Tomlinson
Bennett	Hinle	Munger	Rodosovich	Tunheim
Bergstrom	Hoffman	Murphy	Rodriguez, F.	Valan
Berkelman	Jacobs	Nelson, D.	Rose	Vanasek
Brinkman	Jennings	Nelson, K.	St. Onge	Vellenga
Carlson, L.	Jensen	Neuenschwander	Sarna	Voss
Clark, J.	Kahn	Norton	Scheid	Welch
Clark, K.	Kalis	O'Connor	Schoenfeld	Welle
Clawson	Kelly	Ogren	Schreiber	Wigley
Cohen	Knickerbocker	Olsen	Segal	Wynia
Coleman	Knuth	Osthoff	Shaver	Spacker Sieben
Dempsey	Kostohryz	Otis	Sherman	
Elioff	Krueger	Peterson	Simoneau	
Ellingson	Kvam	Piepho	Skoglund	

Those who voted in the negative were:

Anderson, R.	Erickson	Johnson	Redalen	Thiede
Bishop	Findlay	Ludeman	Reif	Uphus
Brandl	Fjoslien	McDonald	Schafer	Valento
Burger	Frerichs	McKasy	Seaberg	Waltman
Carlson, D.	Gutknecht	Omann	Shea	Welker
DenOuden	Haukoos	Onnen	Stadum	Wenzel
Dimler	Heinitz	Quist	Sviggum	Zaffke

The bill was passed and its title agreed to.

H. F. No. 254 was reported to the House and given its third reading.

There being no objection H. F. No. 254 was continued one day.

S. F. No. 280 was reported to the House and given its third reading.

UNANIMOUS CONSENT

Kelly requested unanimous consent to offer an amendment. The request was granted.

Kelly moved to amend S. F. No. 280, the unofficial engrossment, as follows:

Page 9, line 22, delete "2" and insert "6"

Page 10, line 6, delete "2" and insert "6"

Page 11, line 13, delete "as defined in section 2"

Page 12, line 14, delete "as defined in"

Page 12, line 15, delete "section 2"

Page 13, line 15, delete "as defined in section"

Page 13, line 16, delete "2"

The motion prevailed and the amendment was adopted.

S. F. No. 280, A bill for an act relating to data privacy; establishing standards and procedures for the release of financial information; proposing new law coded as Minnesota Statutes, chapter 13A.

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 0 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Forsythe	Larsen	Piepho	Skoglund
Anderson, G.	Frerichs	Levi	Piper	Solberg
Anderson, R.	Graba	Long	Price	Sparby
Battaglia	Greenfield	Ludeman	Quinn	Stadum
Beard	Gruenes	Mann	Quist	Staten
Begich	Gustafson	Marsh	Redalen	Swiggum
Bennett	Cutknecht	McDonald	Reif	Swanson
Berkelman	Halberg	McEachern	Rice	Thiede
Bishop	Haukoos	McKasy	Riveness	Tomlinson
Brandl	Heinitz	Metzen	Rodosovich	Tunheim
Brinkman	Himle	Minne	Rodriguez, C.	Uphus
Burger	Hoffman	Munger	Rodriguez, F.	Valan
Carlson, L.	Hokr	Murphy	Rose	Valento
Clark, J.	Jacobs	Nelson, D.	St. Onge	Vanasek
Clark, K.	Jennings	Nelson, K.	Sarna	Vellenga
Cohen	Jensen	Neuenschwander	Schafer	Voss
Coleman	Johnson	Norton	Scheid	Waltman
Dempsey	Kahn	O'Connor	Schoenfeld	Welch
DenOuden	Kalis	Ogren	Schreiber	Welker
Dimler	Kelly	Olsen	Seaberg	Welle
Eken	Knickerbocker	Omann	Segal	Wenzel
Ellingson	Knuth	Onnen	Shaver	Wigley
Erickson	Kostohryz	Osthoff	Shea	Wynia
Findlay	Krueger	Otis	Sherman	Zaffke
Fjoslien	Kvam	Peterson	Simoneau	Speaker Sieben

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

H. F. No. 375 was reported to the House and given its third reading.

There being no objection H. F. No. 375 was continued one day.

H. F. No. 380 was reported to the House and given its third reading.

DenOuden moved to return H. F. No. 380 to the top of General Orders.

A roll call was requested and properly seconded.

The question was taken on the motion and the roll was called. There were 35 yeas and 87 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Gruenes	Kvam	Piepho	Swiggum
DenOuden.	Gutknecht	Ludeman	Quist	Thiede
Erickson.	Haukoos	McDonald	Redalen	Uphus
Evans	Heinitz	McKasy	Reif	Waltman
Findlay	Jennings	Olsen	Rose	Welker
Fjoslien	Johnson	Omann	Schafer	Wigley
Frerichs	Knickerbocker	Onnen	Shaver	Zaffke

Those who voted in the negative were:

Anderson, B.	Dimler	Krueger	Piper	Solberg
Anderson, G.	Eken	Larsen	Price	Sparby
Battaglia	Elioff	Levi	Quinn	Staten
Beard	Ellingson	Long	Rice	Swanson
Begich	Forsythe	Mann	Riveness	Tomlinson
Bennett	Graba	McEachern	Rodosovich	Tunheim
Bergstrom	Greenfield	Metzen	Rodriguez, C.	Valan
Bishop	Gustafson	Minne	Rodriguez, F.	Vanasek
Brandl	Heap	Munger	St. Onge	Vollenga
Brinkman	Himle	Murphy	Sarna	Voss
Burger	Hoffman	Nelson, D.	Scheid	Welch
Carlson, L.	Jacobs	Nelson, K.	Schoenfeld	Welle
Clark, J.	Jensen	Neuenschwander	Seaberg	Wenzel
Clark, K.	Kahn	O'Connor	Segal	Wynia
Clawson	Kalis	Ogren	Shea	Speaker Sieben
Cohen	Kelly	Osthoff	Sherman	
Coleman	Knuth	Otis	Simoneau	
Dempsey	Kostohryz	Peterson	Skoglund	

The motion did not prevail.

Onnen requested unanimous consent to offer an amendment. The request was not granted.

H. F. No. 380, A bill for an act relating to negligence; regulating the liability of good samaritans; amending Minnesota Statutes 1982, section 604.05.

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 103 yeas and 18 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Eken	Kostohryz	Otis	Sherman
Anderson, G.	Elioff	Krueger	Peterson	Simoneau
Anderson, R.	Ellingson	Larsen	Piper	Skoglund
Battaglia	Evans	Levi	Price	Solberg
Beard	Ejoslien	Long	Quist	Sparby
Begich	Forsythe	Mann	Redalen	Staten
Bennett	Frerichs	Marsh	Reif	Sviggum
Bergstrom	Graba	McDonald	Rice	Swanson
Berkelman	Greenfield	McEachern	Riveness	Tomlinson
Bishop	Gustafson	Metzen	Rodosovich	Tunheim
Brandl	Heap	Minne	Rodriguez, C.	Valan
Brinkman	Himle	Munger	Rodriguez, F.	Valento
Burger	Hoffman	Murphy	Rose	Vanasek
Carlson, D.	Hokr	Nelson, D.	St. Onge	Vellenga
Carlson, L.	Jacobs	Nelson, K.	Sarna	Waltman
Clark, J.	Jensen	Neuenschwander	Scheid	Welch
Clark, K.	Johnson	Norton	Schoenfeld	Welle
Clawson	Kahn	O'Connor	Seaberg	Wenzel
Cohen	Kalis	Ogren	Segal	Wynia
Coleman	Kelly	Onnen	Shaver	
Dimler	Knuth	Osthoff	Shea	

Those who voted in the negative were:

Dempsey	Gutknecht	Kyam	Schreiber	Wigley
DenOuden	Haukoos	Omamn	Thiede	Zaffke
Erickson	Heinitz	Piepho	Uphus	
Findlay	Knickerbocker	Schafer	Welker	

The bill was passed and its title agreed to.

Skoglund was excused for the remainder of today's session.

CONSIDERATION UNDER RULE 1.10

Pursuant to rule 1.10, Tomlinson requested immediate consideration of H. F. No. 1171.

The Speaker called Wynia to the Chair.

H. F. No. 1171 was reported to the House.

Schreiber moved to amend H. F. No. 1171 as follows:

Page 12, after line 18, insert:

“Sec. 14. Minnesota Statutes 1982, section 458.193, subdivision 6, is amended to read:

Subd. 6. Bonds legally issued pursuant to (LAWS 1957, CHAPTER 812) *chapter 458*, shall be deemed authorized as securities within the provisions of Minnesota Statutes, Section 50.14, and shall be proper for the investment therein by any savings bank or trust company, insurance company or sinking

funds held by any public or municipal corporation, and may be pledged by any bank or trust company as security for the deposit of public moneys therein in lieu of surety bonds. (SUCH) *The* bonds shall be deemed and treated as instrumentalities of a public governmental agency (AND, AS SUCH, EXEMPT FROM TAXATION).”

Page 12, after line 25, insert:

“Sec. 16. Minnesota Statutes 1982, section 458A.09, is amended to read:

458A.09 [EXEMPTION FROM TAXATION.]

Notwithstanding any other provision of law to the contrary, the properties, moneys, and other assets of the commission, *and* all revenues or other income of the commission (, AND ALL BONDS, CERTIFICATES OF INDEBTEDNESS, OR OTHER OBLIGATIONS ISSUED BY THE COMMISSION, AND THE INTEREST THEREON,) shall be exempt from all taxation, licenses, fees, or charges of any kind imposed by the state or by any county, municipality, political subdivision, taxing district, or other public agency or body of the state.

Sec. 17. Minnesota Statutes 1982, section 462.651, subdivision 3, is amended to read:

Subd. 3. [OBLIGATIONS AND DIVIDENDS OF REDEVELOPMENT COMPANY EXEMPT FROM TAXATION.] Bonds and mortgages and the income debenture certificates of all redevelopment companies are declared to be instrumentalities of the state, *and* issued for public purposes (, AND SHALL, TOGETHER WITH INTEREST THEREON, BE EXEMPT FROM TAXATION. THE DIVIDENDS ON THE STOCK OF THOSE COMPANIES SHALL BE EXEMPT FROM TAXATION BY THE STATE).”

Page 15, after line 4, insert:

“Sec. 21. Minnesota Statutes 1982, section 473.436, subdivision 3, is amended to read:

Subd. 3. [TAX EXEMPT.] Certificates of indebtedness, bonds, or other obligations of the commission shall be deemed and treated as instrumentalities of a public government agency (AND AS SUCH, TOGETHER WITH INTEREST THEREON, EXEMPT FROM TAXATION).”

Page 16, after line 3, insert:

"Sec. 24. Minnesota Statutes 1982, section 473.666, is amended to read:

473.666 [BONDS, LEGAL INVESTMENTS FOR PUBLIC FUNDS.]

Bonds legally issued pursuant to sections 473.601 to 473.679 or acts amendatory thereof or supplemental thereto, may be purchased by the state board of investment for the permanent school fund, permanent university fund, swamp land fund, internal improvement land funds, or any other trust fund of the state of Minnesota, or for any other fund administered by such board, and shall be deemed authorized securities within the provisions of section 50.14, and shall be proper for the investment of capital, surplus, or deposits of any savings bank or trust company, and for the investment of funds of any insurance company, and for the investment of any sinking funds held by any public or municipal corporation, and may be pledged by any bank or trust company as security for the deposit of public moneys therein in lieu of surety bonds. (SUCH) *The* bonds shall be deemed and treated as instrumentalities of a public government agency (, AND AS SUCH SHALL BE EXEMPT FROM TAXATION)."

Renumber the sections in order

Page 16, line 9, delete "20," and insert "25,"

Further amend the title:

Page 1, line 8, after "447.49;" insert "458.193, subdivision 6;"

Page 1, line 8, after "6;" insert "458A.09; 462.191, subdivision 3;"

Page 1, line 10, after "4;" insert "473.436, subdivision 6;"

Page 1, line 10, delete "and"

Page 1, line 10, after "473.545;" insert "and 473.666;"

The motion prevailed and the amendment was adopted.

McKasy and Schreiber moved to amend H. F. No. 1171, as amended, as follows:

Page 16, line 10, after "for" insert "*income earned after July 1, 1983 in*"

The motion prevailed and the amendment was adopted.

H. F. No. 1171, A bill for an act relating to taxation; clarifying the income tax treatment of certain debt obligations of state and local governments; amending Minnesota Statutes 1982, sections 80A.09, subdivision 1; 115A.69, subdivision 6; 116A.25; 116J.89, subdivision 6; 136.32; 136A.179; 136A.39; 193.146, subdivision 4; 272.02, subdivision 1; 362A.07; 447.35; 447.49; 458.193, subdivision 6; 458A.05, subdivision 6; 458A.09; 462.191, subdivision 3; 462.551; 462A.19, subdivision 1; 472.09, subdivision 4; 473.436, subdivision 6; 473.448; 473.545; and 473.666; repealing Minnesota Statutes 1982, sections 116J.89, subdivision 7; 462A.19, subdivision 2; and 474.12.

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 119 yeas and 9 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Erickson	Knickerbocker	Onnen	Shaver
Anderson, G.	Evans	Knuth	Osthoff	Shea
Anderson, R.	Findlay	Kostohryz	Otis	Sherman
Battaglia	Fjoslien	Krueger	Peterson	Simoneau
Beard	Forsythe	Kvam	Piepho	Solberg
Begich	Frerichs	Larsen	Piper	Sparby
Bennett	Graba	Levi	Price	Staten
Bergstrom	Greenfield	Long	Quian	Sviggum
Berkelman	Gruenes	Ludeman	Quist	Swanson
Bishop	Gustafson	Mann	Redalen	Tomlinson
Brandl	Gutknecht	Marsh	Reif	Tunheim
Brinkman	Haukoos	McEachern	Rice	Uphus
Burger	Heap	McKasy	Riveness	Valan
Carlson, D.	Heinitz	Minne	Rodosovich	Valento
Carlson, L.	Himle	Munger	Rodriguez, C.	Vanasek
Clark, J.	Hoffman	Murphy	Rodriguez, F.	Vellenga
Clark, K.	Hokr	Nelson, D.	Rose	Voss
Clawson	Jacobs	Nelson, K.	St. Onge	Walman
Cohen	Jennings	Neuenschwander	Sarna	Welch
Coleman	Jensen	Norton	Scheid	Welle
Dempsey	Johnson	O'Connor	Schoenfeld	Wenzel
Eken	Kahn	Ogren	Schreiber	Wynia
Elioff	Kalis	Olsen	Seaberg	Speaker Sieben
Ellingson	Kelly	Omam	Segal	

Those who voted in the negative were:

DenOuden	McDonald	Schafer	Welker	Zaffke
Dimler	Metzen	Stadum	Wigley	

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

Staten was excused at 4:00 p.m. Carlson, D., was excused at 4:30 p.m.

GENERAL ORDERS

Pursuant to rules of the House, the House resolved itself into the Committee of the Whole with Wynia in the Chair for the consideration of bills pending on General Orders of the Day. Sieben presided during a portion of the meeting of the Committee of the Whole. After some time spent therein the Committee arose.

REPORT OF THE COMMITTEE OF THE WHOLE

The Speaker resumed the Chair, whereupon the following proceedings of the Committee as kept by the Chief Clerk were reported to the House:

H. F. Nos. 507, 519, 582, 657 and 672 which it recommended to pass.

H. F. Nos. 474, 938, 102 and 520 which it recommended progress.

H. F. No. 643 which it recommended progress until Thursday, May 19, 1983.

H. F. No. 537 which it recommended to pass with the following amendment offered by Zaffke:

Delete page 3

Page 4, delete lines 1 through 7

Renumber the remaining section

Amend the title as follows:

Page 1, line 5, delete “; requiring that”

Page 1, delete lines 6 and 7

Page 1, line 8, delete “than two years”

Page 1, line 9, delete “sections” and insert “section”

Page 1, line 9, delete “; and 179.70,”

Page 1, line 10, delete “subdivision 1”

H. F. No. 606 which it recommended to pass with the following amendments:

Offered by Clawson:

Page 13, line 28, before the period insert "*if the commissioner, after review of the tribal court commitment record, is satisfied that the tribal court commitment has provided due process protections similar to those afforded by sections 253B.05 to 253B.10*"

Offered by Dempsey:

Page 1, after line 35, insert:

"Sec. 2. Minnesota Statutes 1982, section 253B.02, subdivision 13, is amended to read:

Subd. 13. [MENTALLY ILL PERSON.] "Mentally ill person" means any person who has *an organic disorder of the brain or a substantial psychiatric disorder of thought, mood, perception, orientation, or memory which grossly impairs judgment, behavior, capacity to recognize reality, or to reason or understand, which (a) is manifested by instances of grossly disturbed behavior or faulty perceptions; and (b) poses a substantial likelihood of physical harm to himself or others as demonstrated by (i) a recent attempt or threat to physically harm himself or others, or (ii) a failure to provide necessary food, clothing, shelter or medical care for himself, as a result of the impairment. This impairment excludes (a) epilepsy, (b) mental retardation, (c) brief periods of intoxication caused by alcohol or drugs, or (d) dependence upon or addiction to any alcohol or drugs.*"

Renumber the sections in sequence

Page 15, line 21, delete "28" and insert "29"

Amend the title as follows:

Page 1, line 18, after "5," insert "13,"

H. F. No. 794 which it recommended to pass with the following amendment offered by Osthoff:

Page 1, line 18, after "blocks" delete "231, 233,"

Page 1, line 22, after "215," insert "and"

Page 1, line 22, after "414" delete ", and 415"

On the motion of Eken the report of the Committee of the Whole was adopted.

ROLL CALLS IN COMMITTEE OF THE WHOLE

Pursuant to rule 1.6, the following roll calls were taken in the Committee of the Whole:

Zaffke moved to amend H. F. No. 537, the first engrossment, as follows:

Delete page 3

Page 4, delete lines 1 through 7

Renumber the remaining section

Amend the title as follows:

Page 1, line 5, delete “; requiring that”

Page 1, delete lines 6 and 7

Page 1, line 8, delete “than two years”

Page 1, line 9, delete “sections” and insert “section”

Page 1, line 9, delete “; and 179.70,”

Page 1, line 10, delete “subdivision 1”

The question was taken on the amendment and the roll was called. There were 99 yeas and 9 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Evans	Knuth	Omann	Sherman
Anderson, G.	Findlay	Kostohryz	Onnen	Solberg
Anderson, R.	Fjoslien	Krueger	Osthoff	Sparby
Battaglia	Frerichs	Kvam	Peterson	Stadum
Berkelman	Graba	Larsen	Piepho	Sviggum
Bishop	Greenfield	Levi	Quist	Swanson
Blatz	Gruenes	Ludeman	Redalen	Thiede
Brinkman	Gustafson	Mann	Reif	Tunheim
Burger	Gutknecht	Marsh	Rice	Uphus
Carlson, D.	Haukoos	McDonald	Rodosovich	Valan
Carlson, L.	Heap	McEachern	Rodriguez, C.	Valento
Clark, J.	Heinitz	McKasy	Rose	Vanasek
Clawson	Himle	Minne	St. Onge	Vellenga
Coleman	Hoffman	Murphy	Sarna	Waikman
Dempsey	Hekr	Nelson, D.	Schafer	Welker
DenOuden	Jennings	Nelson, K.	Schoenfeld	Weazel
Dimler	Johnson	Neuenschwander	Schreiber	Wigley
Eken	Kalis	Norton	Segal	Wynia
Ellingson	Kelly	Ogren	Shaver	Zaffke
Erickson	Knickerbocker	Olsen	Shea	

Those who voted in the negative were:

Beard	Elioff	Piper	Simoneau	Welle
Begich	Jensen	Rodriguez, F.	Voss	

The motion prevailed and the amendment was adopted.

Ludeman moved to amend H. F. No. 537, the first engrossment, as amended, as follows:

Page 2, line 9, strike "30" and insert "90"

The question was taken on the amendment and the roll was called. There were 44 yeas and 73 nays as follows:

Those who voted in the affirmative were:

Bishop	Fjoslien	Jennings	Piepho	Stadum
Blatz	Forsythe	Johnson	Quist	Thiede
Burger	Frerichs	Levi	Redalen	Uphus
Dempsey	Gutknecht	Ludeman	Reif	Valan
DenOuden	Halberg	McDonald	Rose	Valento
Dimler	Haukoos	McKasy	Schafer	Welker
Erickson	Heinitz	Olsen	Schreiber	Wigley
Evans	Himle	Omann	Scaberg	Zaffke
Findlay	Hokr	Onnen	Shaver	

Those who voted in the negative were:

Anderson, G.	Eken	Mann	Peterson	Solberg
Anderson, R.	Elioff	Marsh	Piper	Sparby
Battaglia	Greenfield	McEachern	Price	Staten
Beard	Cruenes	Metzen	Quinn	Swanson
Begich	Gustafson	Minne	Rice	Tomlinson
Bennett	Hoffman	Munger	Riveness	Tunheim
Bergstrom	Jacobs	Murphy	Rodosovich	Vanasek
Berkelman	Jensen	Nelson, D.	Rodriguez, C.	Vellenga
Brandl	Kahn	Nelson, K.	Rodriguez, F.	Voss
Carlson, L.	Kalis	Neuenschwander	St. Onge	Weile
Clark, J.	Kelly	Norton	Sarna	Wenzel
Clark, K.	Knuth	O'Connor	Scheid	Wynia
Clawson	Kostohryz	Ogren	Schoenfeld	Speaker Sieben
Cohen	Krueger	Osthoff	Sherman	
Coleman	Larsen	Otis	Simoneau	

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

The question was taken on the motion to recommend passage of H. F. No. 672 and the roll was called. There were 63 yeas and 51 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Berkelman	Clark, J.	Eken	Greenfield
Battaglia	Brandl	Clark, K.	Ellingson	Gustafson
Beard	Erinkman	Clawson	Evans	Hoffman
Begich	Carlson, L.	Cohen	Graba	Jacobs

Jensen	Metzen	Otis	Segal	Vellenga
Kahn	Minne	Peterson	Simoneau	Voss
Kalis	Munger	Piper	Solberg	Welch
Kelly	Nelson, D.	Rodosovich	Sparby	Welle
Knuth	Nelson, K.	Rodriguez, C.	Staten	Wenzel
Krucger	Neuenschwander	Rodriguez, F.	Swanson	Wynia
Larsen	Norton	Scheid	Tunlison	Speaker Sieben
Long	Ogren	Schoenfeld	Tunheim	
Mann	Osthoff	Schreiber	Vanasek	

Those who voted in the negative were:

Anderson, R.	Fjoslien	Kostohryz	Quist	Uphus
Bennett	Forsythe	Levi	Redalen	Valan
Bishop	Frerichs	Ludeman	Reif	Valento
Blatz	Gruenes	Marsh	Rose	Waltman
Burger	Gutknecht	McDonald	St. Onge	Welker
Dempsey	Haukoos	McKasy	Schafer	Wigley
DenOuden	Heimitz	Murphy	Seaberg	Zaffke
Dimler	Himle	Olsen	Shaver	
Elioff	Jennings	Omann	Stadum	
Erickson	Johnson	Onaen	Sviggum	
Findlay	Knickerbocker	Piepho	Thiede	

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. 30:

Skoglund, Kostohryz and Burger.

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 251:

Rodriguez, F.; Clawson and Wigley.

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 61:

Brandl, Vanasek and Bishop.

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 267:

Scheid, Osthoff and Schreiber.

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 708:

Clawson, Gustafson and McKasy.

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 76:

Long; Nelson, D.; Munger; Anderson, R., and Sieben.

MOTIONS AND RESOLUTIONS

Sarna moved that the name of Greenfield be stricken and the name of Staten be added as second author on H. F. No. 661. The motion prevailed.

Uphus, Wenzel, Omann and Brinkman introduced:

House Resolution No. 10, A house resolution congratulating Henry Gruber for winning the national plowing contest and wishing him good luck in the World Ploughing Contest.

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

ADJOURNMENT

Eken moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 2:00 p.m., Thursday, April 28, 1983.

EDWARD A. BURDICK, Chief Clerk, House of Representatives

STATE OF MINNESOTA

SEVENTY-THIRD SESSION - 1983

FORTY-SECOND DAY

SAINT PAUL, MINNESOTA, THURSDAY, APRIL 28, 1983

The House of Representatives convened at 2:00 p.m. and was called to order by Harry A. Sieben, Jr., Speaker of the House.

Prayer was offered by Reverend Susan Adams, Union Congregational United Church of Christ, St. Louis Park, Minnesota.

The roll was called and the following members were present:

Anderson, B.	Erickson	Krueger	Peterson	Solberg
Anderson, G.	Evans	Kvam	Piepho	Sparby
Anderson, R.	Findlay	Larsen	Piper	Stadum
Battaglia	Fjoslien	Levi	Price	Staten
Beard	Forsythe	Long	Quinn	Sviggum
Begich	Frerichs	Ludeman	Quist	Swanson
Bennett	Graba	Mann	Redalen	Thiede
Bergstrom	Greenfield	Marsh	Reif	Tomlinson
Berkelman	Gruenes	McDonald	Rice	Tunheim
Bishop	Gustafson	McEachern	Riveness	Uphus
Blatz	Gutknecht	McKasy	Rodosovich	Valan
Brandl	Halberg	Metzen	Rodriguez, C.	Valento
Brinkman	Haukoos	Minne	Rodriguez, F.	Vanasek
Burger	Heap	Munger	Rose	Vellenga
Carlson, D.	Heinitz	Murphy	St. Onge	Voss
Carlson, L.	Himle	Nelson, D.	Sarna	Waltman
Clark, J.	Hoffman	Nelson, K.	Schafer	Welch
Clark, K.	Hokr	Neuenschwander	Scheid	Welker
Clawson	Jacobs	Norton	Schoenfeld	Welle
Cohen	Jennings	O'Connor	Schreiber	Wenzel
Coleman	Jensen	Ogren	Seaberg	Wigley
Dempsey	Kahn	Olsen	Segal	Wynia
DenOuden	Kalis	Omann	Shaver	Zaffke
Dimler	Kelly	Onnen	Shea	Speaker Sieben
Eken	Knickerbocker	Osthoff	Sherman	
Eloff	Knuth	Otis	Simoneau	
Ellingson	Kostohryz	Pauly	Skoglund	

A quorum was present.

Hoberg and Johnson were excused.

The Chief Clerk proceeded to read the Journal of the preceding day. Nelson, D., 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. 109, 422, 762, 929, 1033, 1208, 1236, 790, 1190, 537, 606, 794 and 1171 and S. F. Nos. 301, 378, 462, 525, 601, 661, 756, 799, 856, 954, 987, 1105, 1012, 721, 752, 823, 964, 545, 92, 808, 1104, 159, 541 and 723 have been placed in the members' files.

S. F. No. 756 and H. F. No. 873, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Voss moved that S. F. No. 756 be substituted for H. F. No. 873 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 462 and H. F. No. 681, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Himle moved that S. F. No. 462 be substituted for H. F. No. 681 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 856 and H. F. No. 831, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Jacobs moved that S. F. No. 856 be substituted for H. F. No. 831 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 545 and H. F. No. 762, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Brandl moved that the rules be so far suspended that S. F. No. 545 be substituted for H. F. No. 762 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 721 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

McDonald moved that the rules be so far suspended that S. F. No. 721 be substituted for H. F. No. 777 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1012 and H. F. No. 1074, 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. 1012 be substituted for H. F. No. 1074 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 964 and H. F. No. 1021, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Ellingson moved that the rules be so far suspended that S. F. No. 964 be substituted for H. F. No. 1021 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 954 and H. F. No. 1208, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Ellingson moved that the rules be so far suspended that S. F. No. 954 be substituted for H. F. No. 1208 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 889 and H. F. No. 1040, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Berkelman moved that the rules be so far suspended that S. F. No. 889 be substituted for H. F. No. 1040 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 987 and H. F. No. 1100, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Graba moved that the rules be so far suspended that S. F. No. 987 be substituted for H. F. No. 1100 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

April 22, 1983

The Honorable Harry A. Sieben, Jr.
Speaker of the House
276 State Office Building
St. Paul, Minnesota 55155

Dear Speaker Sieben:

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

H. F. No. 396, relating to retirement; authorizing benefit increases for retired Eveleth police officers, firefighters, and surviving spouses.

H. F. No. 576, relating to insurance: health and accident; providing coverage for adopted children from the date of placement for adoption; proposing new law coded in Minnesota Statutes, chapter 62A.

H. F. No. 609, relating to commerce; motor vehicle sales and distribution; requiring certain payments to be made upon termination of motor vehicle franchises.

H. F. No. 706, relating to retirement; public employees retirement association; providing for refund of contributions after a layoff of 120 calendar days.

Sincerely,

RUDY PERPICH
Governor

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

April 22, 1983

The Honorable Harry A. Sieben, Jr.
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 1983 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>Date Approved 1983</i>	<i>Date Filed 1983</i>
233		51	April 22	April 22
240		52	April 22	April 22
356		53	April 22	April 22
369		54	April 22	April 22
	396	55	April 22	April 22
	576	56	April 22	April 22
	609	57	April 22	April 22
	706	58	April 22	April 22
186		Resolution 3	April 22	April 22
1195		Resolution 4	April 22	April 22

Sincerely,

JOAN ANDERSON GROWE
Secretary of State

REPORTS OF STANDING COMMITTEES

Vanasek from the Committee on Judiciary to which was referred:

H. F. No. 536, A bill for an act relating to legal liability; prohibiting retaliation against an individual who complies with the child abuse reporting act; providing damages for retaliation; clarifying immunity provisions for good faith compliance with the child abuse reporting act; amending Minnesota Statutes 1982, section 626.556, subdivision 4, and by adding a subdivision.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1982, section 626.556, subdivision 4, is amended to read:

Subd. 4. [IMMUNITY FROM LIABILITY.] (a) Any person, including those voluntarily making reports and those required to make reports under subdivision 3, participating in good faith and exercising due care in the making of a report pursuant to this section shall have immunity from any liability, civil or criminal, that otherwise might result by reason of his action.

(b) *A supervisor or social worker employed by a local welfare agency, who in good faith exercises due care when complying with subdivisions 10 and 11 or any related rule or provision of law, shall have immunity from any liability, civil or criminal, that otherwise might result by reason of his action.*

Sec. 2. Minnesota Statutes 1982, section 626.556, is amended by adding a subdivision to read:

Subd. 4a. [RETALIATION PROHIBITED.] (a) *An employer of any person required to make reports under subdivision 3 shall not retaliate against the person for reporting in good faith suspected abuse or neglect pursuant to this section, or against a child with respect to whom a report is made, because of the report.*

(b) *The employer of any person required to report under subdivision 3 who retaliates against the person because of a report of suspected abuse or neglect is liable to that person for actual damages and, in addition, a penalty up to \$1,000.*

(c) *There shall be a rebuttable presumption that any adverse action within 90 days of a report is retaliatory. For purposes of this paragraph, the term "adverse action" refers to action taken by an employer of a person required to report under subdivision 3 which is involved in a report against the person making the report or the child with respect to whom the report was made because of the report, and includes, but is not limited to:*

(1) *discharge, suspension, termination, or transfer from the facility, institution, school, or agency;*

- (2) discharge from or termination of employment;
- (3) demotion or reduction in remuneration for services; or
- (4) restriction or prohibition of access to the facility, institution, school, agency, or persons affiliated with it.

Sec. 3. [EFFECTIVE DATE.]

This act is effective August 1, 1983, and applies to any civil actions commenced on or after that date.

With the recommendation that when so amended the bill pass.

The report was adopted.

Vanasek from the Committee on Judiciary to which was referred:

H. F. No. 559, A bill for an act relating to courts; providing for interest rates on judgments; amending Minnesota Statutes 1982, section 549.09, subdivision 1.

Reported the same back with the following amendments:

Page 1, line 11, delete the new language and reinstate the stricken language

Page 1, line 12, delete the new language

Page 1, line 14, after the period insert "*Except as otherwise provided by contract or by law, interest on pecuniary damages shall be computed from the time of the commencement of the action, except as provided herein. If either party serves a written offer of settlement, the other party may serve a written acceptance or a written counter-offer within 60 days. After that time interest on the judgment shall be calculated by the judge in the following manner. The prevailing party shall receive interest on any judgment from the time the action was commenced or from the time any items of special damage were incurred after the commencement of the action until the judgment is entered only if the amount of its offer is closer to the judgment than the amount of the opposing party's offer. If the amount of the losing party's offer was closer to the judgment than the prevailing party's offer, the prevailing party shall receive interest only on the amount of the settlement offer or the judgment, whichever is less, and only from the time the action was commenced or the special damages were incurred whichever is later until the time the settlement offer was made.*"

Page 2, delete lines 6 and 7, and insert:

"Section 1 is effective August 1, 1983, and interest shall begin to accrue as of that date on any pending claims or causes of action."

With the recommendation that when so amended the bill pass.

The report was adopted.

Anderson, G., from the Committee on Local and Urban Affairs to which was referred:

H. F. No. 875, A bill for an act relating to the city of Bloomington; permitting the establishment of special service districts; providing taxing and other financial authority for Bloomington.

Reported the same back with the following amendments:

Page 1, line 13, after *"maintenance,"* insert *"and"*

Page 1, line 13, delete *"," and construction"*

Page 2, line 11, before the period insert *"in that part of the city of Bloomington which is east of East Bush Lake Road, north of 84th Street and west of Penn Avenue South; that part east of Penn Avenue South, north of 82nd Street and west of State Highway No. 77; that part east of State Highway No. 77 and north of 86th Street; and that part south of 90th Street, west of Nicollet, north of 100th and east of Humboldt"*

Page 4, line 3, delete *"The estimated cost of improvements to be paid for in"*

Page 4, delete line 4

Page 4, line 5, delete *"this section,"* and insert *"When the tax or service charge is to pay for the cost of repairing, operating, or maintaining public improvement or facilities,"*

Page 5, line 19, delete *"[BONDS.]"* and insert *"[CERTIFICATES OF INDEBTEDNESS.]"*

Page 5, delete lines 20 to 36

Page 6, delete lines 1 to 3 and insert:

"The city council may issue certificates of indebtedness within existing debt limits for purposes of any work or service authorized pursuant to this act. The certificates shall be payable in not more than five years and shall be issued on such terms and in such manner as determined by the council. A tax levy shall

be made on the taxable property within the special service district for the payment of the principal and interest on the certificates as in the case of bonds."

Page 6, lines 20, 21, 25, 26, and 30, delete "ten" and insert "15"

Page 8, line 14, delete "of improvements," and insert "where the costs of repairing, operating, or maintaining of public improvements or facilities are to be paid by a tax or service charge,"

With the recommendation that when so amended the bill pass.

The report was adopted.

Norton from the Committee on Governmental Operations to which was referred:

H. F. No. 948, A bill for an act relating to state departments and agencies; transferring the planning functions of the department of energy, planning and development to a newly created state planning agency; providing a director; establishing an advisory committee; amending Minnesota Statutes 1982, sections 116J.03, subdivision 1; and 116J.42; proposing new law coded as Minnesota Statutes, chapter 116K; repealing Minnesota Statutes 1982, sections 116J.02, subdivision 1; 116J.41; 116J.46; and 116J.47.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [TRANSFER OF POWERS.]

Subdivision 1. [AUTHORIZATION.] All powers, duties, and functions vested in or imposed on the department of energy, planning and development or the commissioner of energy, planning and development by chapters 116C, 116D, 116G, sections 116J.40 to 116J.54, and other laws are transferred to, vested in, and imposed on the director of the state planning agency created in section 5.

Subd. 2. [POSITIONS TRANSFERRED.] Personnel positions in the department of energy, planning and development in the classified civil service and temporary positions in the unclassified service established pursuant to section 48A.08, subdivisions 1a and 2a, formerly assigned to functions that are transferred by this section with their incumbents to the state planning agency are continued and transferred to the state planning agency along with the functions transferred.

Subd. 3. [BALANCES TRANSFERRED.] The unexpended balance of any appropriation to the department of energy, planning and development which was assigned to the planning division of the department or to any office within the planning division is transferred to the director of the state planning agency who shall pay all valid claims presented against those appropriations.

Subd. 4. [RECORDS TRANSFERRED.] The commissioner of energy, planning and development, the assistant commissioner for the planning division, and office directors within the planning division shall transfer to the director of the state planning agency all contracts, books, maps, plans, papers, records, and property of every description within their jurisdiction or control which are relevant to the activities and functions transferred by this section to the director of the state planning agency.

Subd. 5. [PROCEEDINGS CONTINUED.] Any proceeding, court action, prosecution, or other business or matter that is pending on the effective date of this section and that involved or was commenced by the commissioner of energy, planning and development and which involved personnel or functions transferred to the state planning agency by this section may be conducted and completed by the state planning director in the same manner, under the same terms and conditions, and with the same effect as though it involved or was commenced and conducted or completed by the officer who began it.

Subd. 6. [AUTHORITY CONTINUED.] The authority of the state planning director regarding functions transferred to the director by this section is a continuation of the authority of the officer from which it was transferred regarding those functions, with the same force and effect as though the functions, powers, or duties of the officer had not been assigned or transferred, and does not constitute a new authority for the purposes of succession to all rights, powers, duties, and obligations of the officer, as constituted at the time of the assignment or transfer. All rules adopted under authority of power, duty, or responsibility transferred by this section to the director of the state planning agency shall remain in full force and effect until amended or repealed.

Sec. 2. [16A.80] [OFFICE OF LOAN MANAGEMENT.]

Subdivision 1. [CREATION.] The office of loan management is created in the department of finance. Professional employees of the office shall have at least five years of experience in commercial lending or a related field. These employees shall receive compensation comparable to that received by employees with similar backgrounds in the private sector, but not greater than the commissioner or deputy commissioner of finance.

Subd. 2. [DUTIES.] Notwithstanding any law to the contrary, an agency of state government which is authorized (1) to make, participate in, or guarantee loans to private sector businesses, or (2) to invest directly or indirectly in a private sector business shall submit each loan, loan participation, loan guarantee, or investment proposal to the office of risk management before making a commitment to make the loan, loan participation, loan guarantee, or investment. No loan, loan participation, loan guarantee, or investment covered by this section shall be made without the approval of the office of loan management. This section does not apply to the housing finance agency, the state board of investment, the iron range resources and rehabilitation board, or the Minnesota energy authority.

Subd. 3. [CRITERIA.] In deciding whether to approve proposals submitted to it, the office of loan management shall consider the likelihood of the state suffering financial loss as a result of the project, the magnitude of potential losses, and the intent of the legislation authorizing the loans, loan participation, loan guarantees, and investments.

Subd. 4. [DELEGATION.] The office of loan management may delegate its approval responsibilities under this section to an agency which is authorized to make loans, loan participation agreements, loan guarantees, or investments involving private businesses if the office determines that the agency has the internal capability to make the judgments required by subdivision 3.

Sec. 3. Minnesota Statutes 1982, section 116J.03, subdivision 1, is amended to read:

Subdivision 1. [SCOPE.] As used in sections 116J.05 to 116J.35 (; 116J.41 TO 116J.54;) and 116J.58 to 116J.91 (; 299A.03; AND 299A.04), the terms defined in this section have the meaning given them.

Sec. 4. Minnesota Statutes 1982, section 116J.42, is amended to read:

116J.42 [POWERS AND DUTIES.]

Subdivision 1. The (COMMISSIONER) *director* shall:

(1) Prepare comprehensive, long range recommendations for the orderly and coordinated growth of the state (INCLUDING DETAILED RECOMMENDATIONS FOR LONG RANGE PLANS OF OPERATING STATE DEPARTMENTS AND AGENCIES).

(2) (THE STATE,) In the development of long range planning, (SHALL) take into consideration (ITS) *the state's* rela-

tionship to local units of government and the planning to be accomplished on (SUCH) these levels, and develop and maintain a statewide long-range policy planning process involving local units of government, regional development commissions, the metropolitan council, and state agencies.

(3) *Develop and analyze information and forecasts relating to the state's population, economy, natural resources, and human services including but not limited to: (a) collection and analysis of information necessary to enable him to report annually to the governor and the legislature on the status of the state's economy and on forecasts of medium and long-term economic prospects for the state; (b) analysis and reporting on the comparability of economic data, assumptions, and analyses used by other planning entities, state agencies and levels of government as he deems appropriate; (c) assessment of the implications of demographic, economic, and programmatic trends on state and local policies and institutions for providing health, education, and other human services; and (d) assessment of the availability and quality of data for long-range planning and policy development.*

(4) *Assist the governor in developing and evaluating alternative long-range policies and strategies.*

(5) *Act in coordination with the department of finance and affected state agencies in the planning and financing of major public programs, including but not limited to capital improvements.*

(6) *Initiate studies of major policy issues having long range implications.*

(7) *Provide planning assistance to local, regional, and state agencies, and coordinate these levels of planning with the state long-range policy planning process.*

Subd. 2. The (COMMISSIONER) director shall:

(1) Review current programming and future planning of all state departments and agencies.

(2) Report regularly and on or before November 15 of each even numbered year to the legislature, reviewing in each report the state planning program, and the progress and development thereof. Thereafter, as soon as practicable, he shall make recommendations for desirable legislation and necessary appropriations.

(3) (TO THE EXTENT PRACTICABLE COORDINATE WITH STATE BUDGETS THE ITEMS THEREIN RELATING TO AND REFLECTING STATEWIDE PLANNING AS AUTHORIZED BY THE LEGISLATURE AND AS RECOM-

MENDED FOR THE CONSIDERATION OF THE LEGISLATURE) *Assist the governor and the commissioner of finance, as requested, in the review of biennial budget proposals and, based on long-range trends, in the analysis of major public investment proposals.*

(4) (REQUIRE EACH STATE DEPARTMENT AND AGENCY HAVING PLANNING PROGRAMS TO REGULARLY FILE COPIES THEREOF WITH HIM FOR REVIEW.)

((5)) Make available to the legislature or any authorized committee or commission thereof information concerning state-wide development plans and basic research from which the plans have been developed.

((6)) (5) Act as the coordinating agency for the planning activities of all state departments and agencies and local levels of government.

((7) REVIEW ALL PLANS FILED WITH THE FEDERAL GOVERNMENT BY STATE DEPARTMENTS AND AGENCIES PURSUANT TO SECTION 16A.30, OR ANY OTHER LAW AS A PART OF HIS DUTIES PRESCRIBED BY THIS SECTION. THE COMMISSIONER OF FINANCE SHALL FURNISH THE COMMISSIONER THE INFORMATION REQUIRED BY THIS CLAUSE.)

((8) ENCOURAGE THE DEVELOPMENT OF PLANNING PROGRAMS BY STATE DEPARTMENTS AND AGENCIES AND LOCAL LEVELS OF GOVERNMENT.)

((9) ACT AS THE COORDINATING AGENCY FOR SUBMISSION OF THE ENVIRONMENTAL IMPACT STATEMENTS REQUIRED BY THE NATIONAL ENVIRONMENTAL POLICY ACT AND THE STATE'S COMMENTS THEREON TO THE APPROPRIATE FEDERAL AGENCIES.)

(6) In consultation with local government elected officials, develop and maintain procedures for the review of federal grant applications and the coordination of planning activities including state and local responsibilities as existed on January 1, 1983, in federal Office of Management and Budget Circular A-95, Parts I, II, III, and IV; and the federal executive order 12372.

Subd. 3. The (COMMISSIONER) director:

(1) Shall appear before the Minnesota municipal board when requested by the board to present studies and data regarding any annexation, incorporation, or detachment proceedings pending before the board;

(2) May contract with a county or regional planning agency or a planning consultant for the making of studies and the compiling of data relating to any annexation, incorporation, or detachment proceedings before the board;

(3) At his discretion or upon the written request of any governmental unit, group of governmental units, or a regional planning agency, may conduct studies relating to the feasibility of annexation, incorporation, or consolidation of a town or governmental units. The studies shall be undertaken only in areas where there is reasonable grounds to believe that problems of urban growth may require the incorporation, or consolidation of governmental units, or the annexation of unincorporated areas in order to provide essential urban services.

Subd. 4. The (COMMISSIONER) *director* shall:

(1) Undertake studies to obtain information and data on urban and rural needs, assistance programs, and activities (. THE COMMISSIONER SHALL PROVIDE TECHNICAL ASSISTANCE AND ADVICE IN THE SOLUTION OF SUCH PROBLEMS. THE DUTIES OF THE COMMISSIONER SHALL INCLUDE, BUT ARE NOT LIMITED TO, THE ASSEMBLY, THE CORRELATION, AND DISSEMINATION OF PHYSICAL, SOCIAL, AND ECONOMIC DEVELOPMENT DATA TO INFORM LOCAL GOVERNMENTAL UNITS AND INTERESTED PERSONS AND ORGANIZATIONS OF THE AVAILABILITY AND STATUS OF FEDERAL, STATE, AND LOCAL PROGRAMS AND OTHER RESOURCES FOR THE SOLUTION OF URBAN AND RURAL PROBLEMS);

(2) (MAKE AVAILABLE TO THE GOVERNOR AND THE LEGISLATURE PERTINENT INFORMATION RELATING TO FEDERAL GRANTS IN AID TO LOCAL GOVERNMENTAL UNITS AND AN ANALYSIS THEREOF;)

(3) INFORM LOCAL GOVERNMENTAL UNITS ABOUT FEDERAL PROGRAMS OF SOCIAL OR ECONOMIC AID OR ASSISTANCE FOR WHICH THEY ARE ELIGIBLE, TOGETHER WITH THE CRITERIA, STANDARDS, AND CONDITIONS UPON WHICH THE AID IS BASED) *Conduct research and make recommendations to the governor and the legislature concerning relationships among federal, state, and local governments; and review and report on changes in federal policies and budgets as they affect the state and state and local government programs;*

(3) *Provide regional development commissions, the metropolitan council, and units of local government with information, technical assistance, training, and advice in utilizing federal and state programs;*

(4) *Receive and administer the small cities community development block grant program authorized by the Congress under the Housing and Development Act of 1974, as amended; and*

(5) *Receive and administer other state and federal grants and grant programs for planning, community affairs, community development purposes, and other state and federal programs assigned to the agency by law or by the governor in accordance with section 4.07.*

(SUBD. 5. THE COMMISSIONER:)

((1) SHALL) (6) Not undertake on behalf of any local governmental unit the responsibility of filling out application forms for federal grants in aid unless required by federal law or regulation promulgated thereunder, but instead will limit the activities of the department in relation to federal aid applications to the publication and distribution of manuals and the furnishing of advice and otherwise guide the officers of local governmental units in properly making out required application forms (;).

((2) SHALL NOT BE RESPONSIBLE IN ANY WAY TO PROMOTE ANY FEDERAL GRANT IN AID OR PLANNING PROGRAM;)

((3) SHALL COORDINATE INFORMATION WHICH SHALL BE SUBMITTED TO THE COMMISSIONER BY A SPECIAL DISTRICT OR REGION RECOGNIZED BY THE FEDERAL GOVERNMENT WITH RESPONSIBILITY OF REVIEWING FEDERAL GRANTS IN AID APPLICATIONS FOR COMMUNITY AND NONPROFIT CORPORATIONS WITHIN THE DISTRICT OR REGION. SPECIAL DISTRICTS OR REGIONS SHALL SUBMIT COPIES OF APPROVED APPLICATIONS FOR THIS PURPOSE, UNLESS THE REQUIREMENTS OF THIS CLAUSE ARE COMPLIED WITH NO STATE DEPARTMENT OR AGENCY MAY PROVIDE ASSISTANCE OR FUNDS FOR ANY PROJECT SUBMITTED TO THE FEDERAL GOVERNMENT THROUGH A SPECIAL DISTRICT OR REGION. WHERE THERE IS A METROPOLITAN PLANNING AGENCY OR REGIONAL COUNCIL CREATED BY LAW, THE COMMISSIONER MAY DELEGATE TO THE COUNCIL OR AGENCY THE RESPONSIBILITIES OF THIS CLAUSE;)

((4) SHALL HAVE ONLY ADVISORY RESPONSIBILITY OR JURISDICTION IN ANY AREA OF THE STATE WITHIN THE JURISDICTION OF A METROPOLITAN PLANNING AGENCY OR REGIONAL COUNCIL CREATED BY LAW.)

Subd. (6) 5. The (COMMISSIONER) *director* shall:

((1) EMPLOY PERSONNEL WITH QUALIFICATIONS AS ARE NEEDED TO PERFORM THE DUTIES PRESCRIBED IN THIS SECTION. TO THE GREATEST EXTENT PRACTICABLE, THE COMMISSIONER SHALL LIMIT THE PERMANENT DEMOGRAPHIC STAFF AND SHALL CONTRACT FOR BASIC RESEARCH, EMPLOY CONSULTANTS, AND USE THE EXISTING FACILITIES OF STATE DEPARTMENTS, OTHER AGENCIES, AND THE STATE EDUCATIONAL INSTITUTIONS, AND)

((2) UTILIZE THE COMPUTER FACILITIES OF THE STATE OR STATE EDUCATIONAL INSTITUTIONS FOR THE RESEARCH DATA NECESSARY FOR PERIODIC POPULATION PROJECTIONS.)

(SUBD. 7. THE COMMISSIONER:)

(1) (SHALL) continuously gather and develop demographic data within the state;

(2) (SHALL) design and test methods of research and data collection;

(3) (SHALL) have the power to call upon any agency of the state or political subdivision for data as may be available, and the agencies and political subdivisions shall cooperate to the fullest extent possible;

(4) (SHALL) periodically prepare population projections for designated regions and for the state and (MAY) periodically prepare projections for each county, or other political or geographic division *as necessary to carry out the purposes of this subdivision and section 116J.42*;

(5) (SHALL) review, comment, and prepare analysis of population estimates and projections made by state agencies, political subdivisions, other states, federal agencies or nongovernmental persons, institutions or commissions;

(6) (SHALL) serve as the state liaison with the federal bureau of census, (SHALL) *and* coordinate his activities with federal demographic activities to the fullest extent possible (, AND SHALL);

(7) aid the legislature in preparing a census data plan and form for each decennial census;

((7) SHALL) (8) compile an annual study of population estimates on the basis of county, regional or other political or geographic divisions as necessary to carry out the purposes of this subdivision and section 116J.43;

((8) SHALL,) (9) on or before January 1 of each year, issue a report to the legislature containing an analysis of the demographic implications of the annual population study and population projections;

((9) SHALL) (10) cause to be prepared maps of all counties in the state, all municipalities with a population of 10,000 or more, and any other municipalities as deemed necessary for census purposes, according to scale and detail recommended by

the federal bureau of the census, with the maps of cities showing boundaries of precincts; (AND)

((10) SHALL ANNUALLY) (11) prepare a population estimate for each governmental subdivision for which the metropolitan council does not prepare an annual population estimate, and shall communicate the estimate to the governing body of each governmental subdivision by May 1 of each year; and

(12) appoint the state demographer to serve under the supervision and control of the director. The state demographer shall be professionally competent in the field of demography and shall possess demonstrated ability, based upon experience and past performance.

Subd. (8) 6. (THE COMMISSIONER MAY) (1) The Land Management Information Center must be established to foster integration of environmental information and provide services in computer mapping and graphics, environmental analysis, and small systems development;

(2) A service bureau must be established to charge (A FEE) fees to (EACH USER OF THE MINNESOTA LAND MANAGEMENT) clients for information (SYSTEM) products and services;

(3) A revolving fund must be established that does not cancel and expend moneys to recover operational costs of services and products and for computer equipment replacement and system enhancement; and

(4) The director must periodically compile studies of land use and natural resources on the basis of county, regional, and other political subdivisions.

Subd. (9) 7. [JUVENILE JUSTICE.] The governor shall designate the (DEPARTMENT OF ENERGY,) state planning (, AND DEVELOPMENT) agency as the sole agency responsible for supervising the preparation and administration of the state plan for juvenile justice required by the Juvenile Justice and Delinquency Prevention Act of 1974, as amended.

The governor shall designate the Juvenile Justice Advisory Committee as the supervisory board for the (DEPARTMENT OF ENERGY,) state planning (AND DEVELOPMENT) agency with respect to preparation and administration of the state plan and award of grants.

The governor shall appoint members to the Juvenile Justice Advisory Committee in accordance with the membership requirements of the Juvenile Justice and Delinquency Prevention Act of 1974, as amended.

Sec. 5. [116K.02] [STATE PLANNING AGENCY.]

Subdivision 1. [CREATION.] A state planning agency is created in the executive branch of the state government.

Subd. 2. [DIRECTOR.] The governor shall appoint a director of planning who is in the unclassified service of the state. He shall be professionally competent in the fields of public administration and planning and shall possess demonstrated ability, based upon experience and past performance, to perform the duties of state planning director.

Subd. 3. [ORGANIZATION.] The director shall organize the agency and employ the officers, employees, and agents as the director deems necessary to discharge the functions of his office, and define their duties. The director shall appoint a deputy director and division directors who shall serve in the unclassified service of the state. To fulfill long-range planning objectives requiring special projects fully anticipated to be of limited duration, the director shall request temporary unclassified positions pursuant to section 43A.08, subdivision 2a. All other officers, employees, and agents are in the classified service of the state civil service.

Subd. 4. [STAFF.] The director shall employ personnel needed to perform the duties of the agency.

Sec. 6. [116K.03] [ADVISORY TASK FORCE.]

The director may appoint an advisory task force on state planning to act solely in an advisory capacity to the director. The advisory task force consists of 15 members. The director shall appoint 13 members representative of Minnesota's regional development areas. All members shall serve at the pleasure of the director. The members of the advisory task force shall serve without compensation but shall be reimbursed for necessary expenses pursuant to section 15.059, subdivision 6. The task force shall encourage and assist in the implementation of the long-range planning done by the agency.

Sec. 7. [116K.04] [COUNCIL.]

A council on the future of Minnesota is created for the purpose of reviewing and commenting upon the long-range planning activities of the state planning agency. The council shall consist of the governor, as chairman, the director of the state planning agency, the commissioner of finance, the speaker of the house, the minority leader of the house, the majority leader of the senate, the minority leader of the senate, and two citizens appointed by the governor. The council shall assist the governor and the director of the state planning agency in establishing and maintaining an effective long-range planning agenda for the

state. Compensation, terms, and removal of the citizen members shall be governed by section 15.059.

Sec. 8. [INSTRUCTIONS TO THE REVISOR.]

Subdivision 1. [TERMS.] (a) The revisor of statutes shall substitute the terms "director of the state planning agency" or "director" or "state planning agency" or "agency" or similar terms as appropriate for the terms "commissioner" or "department" meaning the commissioner or department of energy, planning and development, and similar terms where those terms appear in chapters 116C, 116D, and 116G, sections 116J.40 to 116J.54, and other laws relating to the planning functions of the department of energy, planning and development.

(b) The revisor of statutes shall remove the term "planning" wherever it appears in Minnesota Statutes in reference to the department of energy, planning and development, the commissioner of energy, planning and development or similar terms to reflect the removal of the planning functions from that department.

Subd. 2. [RENUMBERING.] The revisor of statutes shall renumber each section specified in column A with the numbers set forth in column B. The revisor shall also make necessary cross-reference changes consistent with the renumbering.

Column A	Column B
116J.40	116K.01
116J.42	116K.05
116J.43	116K.06
116J.44	116K.07
116J.45	116K.08
116J.48	116K.09
116J.49	116K.10
116J.50	116K.11
116J.51	116K.12
116J.52	116K.13
116J.53	116K.14
116J.54	116K.15

Sec. 9. [APPROPRIATION.]

The sum of \$ is appropriated from the general fund to the commissioner of finance for the purpose of operating the office of loan management created by section 2. The office's complement of professional employees is two.

Sec. 10. [REPEALER.]

Minnesota Statutes 1982, sections 116J.02, subdivision 1; 116J.41; 116J.46; and 116J.47, are repealed."

Delete the title and insert:

"A bill for an act relating to state departments and agencies; creating an office of loan management; transferring the planning functions of the department of energy, planning and development to a newly created state planning agency; providing a director; establishing an advisory task force and council; appropriating money; amending Minnesota Statutes 1982, sections 116J.03, subdivision 1; and 116J.42; proposing new law coded as Minnesota Statutes, chapters 16A and 116K; repealing Minnesota Statutes 1982, sections 116J.02, subdivision 1; 116J.41; 116J.46; and 116J.47."

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

The report was adopted.

Vanasek from the Committee on Judiciary to which was referred:

H. F. No. 1149, A bill for an act relating to liens; right of possession and liens on fabrication molds and patterns; amending Minnesota Statutes 1982, section 514.19.

Reported the same back with the following amendments:

Page 1, after line 6, insert:

"Section 1. Minnesota Statutes 1982, section 514.18, is amended to read:

514.18 [RETAINING.]

Subdivision 1. [MECHANICS' LIEN ON PERSONAL PROPERTY; PROPERTY IN POSSESSION.] Whoever, at the request of the owner or legal possessor of any personal property, shall store or care for or contribute in any of the modes mentioned in section 514.19 to its preservation, care, or to the

enhancement of its value, shall have a lien upon such property for the price or value of such storage, care, or contribution, and for any legal charges against the same paid by such person to any other person, and the right to retain the property in his possession until such lien is lawfully discharged (; BUT A VOLUNTARY SURRENDER OF POSSESSION SHALL EXTINGUISH THE LIEN HEREIN GIVEN).

Subd. 2. [NONPOSSESSORY LIEN; NOTICE.] Notwithstanding the voluntary surrender or other loss of possession of the property on which the lien is claimed, the person entitled thereto may preserve the lien, if at any time within 60 days after the surrender or loss of possession he gives notice of his lien by filing in the appropriate filing office under the uniform commercial code, Minnesota Statutes, section 336.9-401 a verified statement and notice of his intention to claim a lien. The statement shall contain a description of the property upon which the lien is claimed, the work performed or materials furnished and the amount due.

Subd. 3. [PRIORITY; SECURITY; INTEREST; FORECLOSURE.] The lien shall be valid against everyone except a purchaser or encumbrancer in good faith without notice and for value whose rights were acquired prior to the filing of the lien statement and who has filed a statement of his interest in the appropriate filing office. The lien shall be considered a security interest under the uniform commercial code and foreclosure thereon shall be in the manner prescribed for security interests under article 9 of the uniform commercial code. A certified copy of the lien shall be sufficient to authorize the lien holder to take possession of the property for purposes of foreclosure."

Renumber the remaining section

Page 1, line 10, strike "Such" and insert "A"

Page 1, line 10, strike "shall exist" and insert "exists"

Page 1, line 17, strike "thereof" and "the same"

Page 1, delete lines 18 to 20, and insert:

"(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;"

Page 1, line 22, strike "thereon" and insert "on it"

Page 1, line 23, strike "Such" and insert "The"

Page 1, line 23, strike "shall"

Page 1, lines 23 to 25, strike "such" and insert "the"

Page 2, after line 2, insert:

"Sec. 3. Minnesota Statutes 1982, section 514.92, subdivision 1, is amended to read:

Subdivision 1. Every duly licensed and registered veterinarian shall have a lien for all veterinary services over \$25 rendered upon any animal or animals at the request of the owner or lawful possessor of same, including but not limited to surgical procedures, vaccines, antisera, virus, antibiotics, or other veterinary treatment, from the date of filing (SUCH) *the* lien. Within (60) 180 days from the day on which (SAID) *the* treatment was completed, the claimant of (SUCH) *the* lien shall file in the appropriate filing office under the Uniform Commercial Code, Minnesota Statutes, Section 336.9-401, a verified lien statement setting forth the kind and number of animals treated, the (PRICE AGREED UPON) *reasonable value* for (SUCH) *the* treatment (, WHICH SHALL NOT EXCEED THE REASONABLE VALUE OF SUCH TREATMENT) *or services rendered, or the price contracted between the parties,* the name of the person for whom (SUCH) *the* treatment was done, the (DESCRIPTION) *reasonable identification* of the animal or group of animals treated, (AND IF BRANDED, THE BRAND THEREON,) dates when the treatment was commenced and was completed, the name of the owner, or reputed owner, of (SUCH) *the* animals, the name and address of the veterinarian claiming the lien. Within one year after the date the last service was rendered, but not thereafter, the lien claimant may foreclose his lien in the manner prescribed for security interests under Article 9 of the Uniform Commercial Code."

Amend the title as follows:

Page 1, line 3, after the semicolon insert "providing a nonpossessory lien on personal property; lengthening the time limit for veterinary liens;"

Page 1, line 4, delete "section" and insert "sections 514.18;"

Page 1, line 4, after "514.19" insert "; and 514.92, subdivision 1"

With the recommendation that when so amended the bill pass.

The report was adopted.

Norton from the Committee on Governmental Operations to which was referred:

H. F. No. 1151, A bill for an act relating to state lands; providing for the conveyance of certain state land to the city of St. Peter for use as a roadway.

Reported the same back with the following amendments:

Page 1, line 22, before the period, insert "*, subject to an easement for Trunk Highway No. 99 as set forth in Commissioner's Width Order No. 15913 and further subject to Trunk Highway No. 295 as set forth in Commissioner's Order No. 21188*"

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

The report was adopted.

Norton from the Committee on Governmental Operations to which was referred:

H. F. No. 1222, A bill for an act relating to government operations; requiring a review of certain capital improvement programs; requiring reports and capital improvement plans; expanding the scope of the capital budget.

Reported the same back with the following amendments:

Page 2, delete lines 20 and 21

Page 2, line 23, delete the third "and"

Page 2, line 24, before the period insert "*; and (d) promote economic development*"

Reletter the clauses in sequence

Page 3, line 31, delete "*bank*" and insert "*investment pool*"

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

The report was adopted.

Vanasek from the Committee on Judiciary to which was referred:

S. F. No. 194, A bill for an act relating to causes of action; providing that certain causes of action survive the death of a party; amending Minnesota Statutes 1982, section 573.01.

Reported the same back with the following amendments:

Page 1, after line 20, insert:

"Sec. 2. Minnesota Statutes 1982, section 573.02, subdivision 1, is amended to read:

Subdivision 1. When death is caused by the wrongful act or omission of any person or corporation, the trustee appointed as provided in subdivision 3 may maintain an action therefor if the decedent might have maintained an action, had he lived, for an injury caused by the wrongful act or omission. An action to recover damages for a death caused by the alleged professional negligence of a physician, surgeon, dentist, hospital or sanatorium, or an employee of a physician, surgeon, dentist, hospital or sanatorium shall be commenced within the time set forth in section 541.07, subdivision 1. *An action to recover damages for a death caused by an intentional act constituting murder may be commenced at any time after the death of the decedent.* Any other action under this section may be commenced within three years after the date of death provided that the action must be commenced within six years after the act or omission. The recovery in the action is the amount the jury deems fair and just in reference to the pecuniary loss resulting from the death, and shall be for the exclusive benefit of the surviving spouse and next of kin, proportionate to the pecuniary loss severally suffered by the death. The court then determines the proportionate pecuniary loss of the persons entitled to the recovery and orders distribution accordingly. Funeral expenses and any demand for the support of the decedent allowed by the court having jurisdiction of the action, are first deducted and paid. *Punitive damages may be awarded as provided in section 549.20.*

If an action for the injury was commenced by the decedent and not finally determined during his life, it may be continued by the trustee for recovery of damages for the exclusive benefit of the surviving spouse and next of kin, proportionate to the pecuniary loss severally suffered by the death. The court on motion shall make an order allowing the continuance and directing pleadings to be made and issues framed as in actions begun under this section.

Sec. 3. Minnesota Statutes 1982, section 573.02, subdivision 4, is amended to read:

Subd. 4. This section shall not apply to any death or cause of action arising prior to its enactment, nor to any action or proceeding now pending in any court of the state of Minnesota, *except, notwithstanding section 645.21, this section shall apply to any death or cause of action arising prior to its enactment which resulted from an intentional act constituting murder, and to any such action or proceeding now pending in any court of the state of Minnesota with respect to issues on which a final judgment has not been entered.*"

Renumber the remaining section

Page 1, line 24, after the period insert "*Sections 2 and 3 are effective the day following final enactment.*"

Amend the title as follows:

Page 1, line 3, after the semicolon insert "allowing award of punitive damages in actions for death by wrongful act; clarifying the time limitation for bringing an action for wrongful death when the act constitutes murder;"

Page 1, line 4, delete "section" and insert "sections"

Page 1, line 4, after "573.01" insert "; and 573.02, subdivisions 1 and 4"

With the recommendation that when so amended the bill pass.

The report was adopted.

Vanasek from the Committee on Judiciary to which was referred:

S. F. No. 218, A bill for an act relating to commitment of persons who are mentally ill, mentally retarded, or mentally ill and dangerous; requiring mental commitment proceedings for persons acquitted of a criminal charge pursuant to a verdict of not guilty by reason of mental illness or not guilty by reason of mental deficiency to be held in the court in which acquittal took place; modifying the burden of going forward with the evidence on the issues of mental illness, mental retardation, and mental illness and dangerousness in certain cases; amending Minnesota Statutes 1982, sections 253B.02, subdivision 4, and by adding subdivisions; 253B.07, subdivisions 1, 2, 3, and 7, and by adding a subdivision; 253B.08, subdivision 7; 253B.12, subdivision 4; 253B.18, subdivision 1; 253B.19, subdivision 1; 253B.21, subdivision 5; and 253B.23, subdivision 7.

Reported the same back with the following amendments:

Page 1, line 27, delete "*deficiency*" and insert "*retardation*"

Page 2, line 23, delete "*deficiency*" and insert "*retardation*"

Page 3, line 30, delete "*deficiency*" and insert "*retardation*"

Page 4, line 3, delete "*deficiency*" and insert "*retardation*"

Page 5, line 25, delete "*deficiency*" and insert "*retardation*"

Page 6, line 4, delete "*deficiency*" and insert "*retardation*"

Page 8, line 6, delete "*deficiency*" and insert "*retardation*"

Page 8, after line 26, insert:

"Sec. 15. Minnesota Statutes 1982, section 611.026, is amended to read:

611.026 [CRIMINAL RESPONSIBILITY OF MENTALLY ILL OR (DEFICIENT) *RETARDED*.]

No person shall be tried, sentenced, or punished for any crime while mentally ill or mentally (DEFICIENT) *retarded* so as to be incapable of understanding the proceedings or making a defense; but he shall not be excused from criminal liability except upon proof that at the time of committing the alleged criminal act he was laboring under such a defect of reason, from one of these causes, as not to know the nature of his act, or that it was wrong."

Renumber the section

Page 8, line 28, delete "*This act is*" and insert "*Sections 1 to 14 are*"

Page 8, line 28, delete "*applies*" and insert "*apply*"

Page 8, line 30, after the period insert "*Section 15 is effective August 1, 1983, and applies to crimes committed on or after that date.*"

Amend the title as follows:

Page 1, line 7, delete "*deficiency*" and insert "*retardation*"

Page 1, line 17, delete "and"

Page 1, line 18, after "7" insert "; and 611.026"

With the recommendation that when so amended the bill pass.

The report was adopted.

Wenzel from the Committee on Agriculture to which was referred:

S. F. No. 346, A bill for an act relating to agriculture; granting the commissioner powers relating to agricultural promotion; changing certain procedures related to fees; redefining certain terms; changing the coverage of the consolidated food licensing law; permitting the sale of certain eggs for human consumption; updating certain provisions; specifying certain plumbing and

sewage disposal requirements; changing the coverage of certain animal processing laws; prohibiting sale or possession of certain meat; changing certain fees; changing the dates of reports from and payments to certain agricultural societies; eliminating certain duties of the commissioner of agriculture and county agricultural agents; eliminating the prohibition on manufacture or use of certain preservative compounds; eliminating provisions relating to the dairy industry; adjusting fees for inspection of warehouses; directing the commissioner of agriculture to adopt a mandatory collective ratemaking procedure for warehousemen; amending Minnesota Statutes 1982, sections 17.101; 17B.15, subdivision 1; 28A.03; 29.235; 31.01, subdivision 20; 31.10; 31.101, subdivisions 3, 4, 5, 6, 7, and 8; 31.51, subdivision 2; 31.56, subdivision 1; 31A.02, subdivision 5; 31A.10; 31A.15; 32.394, subdivision 8; 34.05, subdivision 1; 38.02, subdivisions 1 and 3; 231.11; 231.12; 231.16; 232.22, subdivision 3; proposing new law coded in Minnesota Statutes, chapter 31; repealing Minnesota Statutes 1982, sections 17.031; 17.032; 17B.15, subdivision 2; 31.401 to 31.406; 32.472; and 32.473.

Reported the same back with the following amendments:

Page 5, after line 3, insert:

"Sec. 4. Minnesota Statutes 1982, section 28A.09, subdivision 1, is amended to read:

Subdivision 1. Every coin operated food vending machine shall be subject to an annual state inspection fee of \$2 for each nonexempt machine, provided that:

(a) Food vending machines may be inspected by either a home rule charter or statutory city, or a county, but not both, and if inspected by a home rule charter or statutory city, or a county they shall not be subject to the state inspection fee, but the home rule charter or statutory city, or the county may impose a reasonable inspection or license fee. A home rule charter or statutory city or county that does not inspect food vending machines shall not impose a food vending machine inspection or license fee.

(b) Vending machines dispensing only *gum balls, hard candy, unsorted confections*, bottled or canned soft drinks or ice manufactured and packaged by another shall be exempt from the state inspection fee, but may be inspected by the state, or by a home rule charter city or statutory city or a county which may impose a reasonable inspection or license fee."

Page 18, line 20, after "2," insert "4,"

Page 18, line 20, delete "19, 20, 25, and 26" and insert "20, 21, 26, and 27"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 6, after "licensing law;" insert "exempting certain vending machines from inspection fees;"

Page 1, line 22, after "28A.03;" insert "28A.09, subdivision 1;"

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

The report was adopted.

Vanasek from the Committee on Judiciary to which was referred:

S. F. No. 1015, A bill for an act relating to cemeteries; requiring the state or political subdivision to obtain archaeologist services and to pay for removal of Indian burial grounds under certain circumstances; amending Minnesota Statutes 1982, section 307.08, subdivisions 2, 4, 8, and 10.

Reported the same back with the following amendments:

Page 1, line 24, after "a" insert "gross"

Page 2, after line 35, insert:

"Sec. 5. [EFFECTIVE DATE.]

Sections 2 to 4 are effective the day following final enactment. Section 1 is effective August 1, 1983."

Amend the title as follows:

Page 1, line 2, after the semicolon insert "increasing the penalty for illegal molestation of human remains;"

With the recommendation that when so amended the bill pass.

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. Nos. 536, 559, 875, 1149 and 1151 were read for the second time.

SECOND READING OF SENATE BILLS

S. F. Nos. 756, 462, 856, 545, 721, 1012, 964, 954, 889, 987, 194, 218 and 1015 were read for the second time.

INTRODUCTION AND FIRST READING
OF HOUSE BILLS

The following House Files were introduced:

Rodriguez, F.; Sarna; Metzen; Swanson and Piper introduced:

H. F. No. 1264, A bill for an act relating to commerce; regulating pipefitters and pipefitting; regulating pressure vessels; amending Minnesota Statutes 1982, sections 183.56; 326.46; 326.47; 326.48; 326.49; and 326.50.

The bill was read for the first time and referred to the Committee on Commerce and Economic Development.

Heap, Hokr, Shaver and Jennings introduced:

H. F. No. 1265, A bill for an act relating to taxation; providing a maximum income tax rate of 12 percent for individuals, estates, and trusts; amending Minnesota Statutes 1982, section 290.06, subdivisions 2c and 2d.

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

Skoglund; Otis; Nelson, K.; Anderson, B., and Brandl introduced:

H. F. No. 1266, A bill for an act relating to taxation; providing for conformity with federal income tax treatment of contributions to certain public pension plans; amending Minnesota Statutes 1982, section 290.01, subdivisions 20a, as amended, and 20b, as amended; and Laws 1982, Third Special Session chapter 1, article II, section 7.

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

Krueger, Graba, Redalen, Vellenga and Waltman introduced:

H. F. No. 1267, A resolution memorializing the President and Congress of the United States to adopt legislation requiring that all milk sold in the United States contain a higher minimum level of nonfat milk solids.

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

Wenzel, Redalen, Tunheim, Graba and Carlson, D., introduced:

H. F. No. 1268, A bill for an act relating to taxation; property; modifying the agricultural school credit; amending Minnesota Statutes 1982, section 124.2137, subdivision 1.

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

Bergstrom and Peterson introduced:

H. F. No. 1269, A resolution memorializing the governments of the United States and the Republic of China that the State of Minnesota adopts the Province of Taiwan as a sister state.

The bill was read for the first time and referred to the Committee on Rules and Legislative Administration.

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. 91, A bill for an act relating to public utilities; providing for rights of stockholders and directors of cooperative electric associations; proposing new law coded in Minnesota Statutes, chapter 216B.

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. 513, A bill for an act relating to elections; changing certain registration procedures; requiring availability of certain public facilities as polling places; changing requirements that voting machines remain locked after elections; amending Minnesota Statutes 1982, sections 201.071, subdivisions 1, 3, and 6; 204B.16, by adding a subdivision; and 206.21, subdivision 3; repealing Minnesota Statutes 1982, section 201.071, subdivision 7.

H. F. No. 673, A bill for an act relating to elections; changing eligibility requirements and compensation for election judges; permitting time off from work for election judges; amending Minnesota Statutes 1982, sections 204B.19, subdivision 2; and 204B.31; proposing new law coded in Minnesota Statutes, chapter 204B.

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. 787, A bill for an act relating to metropolitan government; regulating the organization, duties, and powers of the metropolitan mosquito control district and commission; amending Minnesota Statutes 1982, sections 473.702; 473.703, subdivisions 1 and 9; 473.704, subdivision 13; 473.711, subdivision 2; proposing new law coded in Minnesota Statutes, chapter 473.

H. F. No. 760, A bill for an act relating to retirement; making various administrative and clarifying amendments to laws governing the Minnesota state retirement system and other retirement plans administered by the system; amending Minnesota Statutes 1982, sections 352.01, subdivisions 11, 16, and 17; 352.021, subdivision 5; 352.113, subdivisions 2, 4, and 6; 352.115, subdivision 8; 352.12, subdivisions 3, 4, and 10; 352.15, subdivision 1; 352.22, subdivision 3; 352.93, subdivision 1; 352.95, subdivisions 4 and 5; 352B.01, subdivisions 3, 9, and 10; 352B.02, subdivision 1; 352B.03, subdivision 2; 352B.05; 352B.07; 352B.071; 352B.08, subdivision 1; 352B.105; 352B.11, subdivisions 1, 4, and by adding a subdivision; 352B.30, subdivision 1; 352D.015, subdivision 9; 352D.02, subdivision 3; 352D.04, subdivision 1; and 490.124, subdivision 1; proposing new law coded in Minnesota Statutes, chapter 352B; repealing Minnesota Statutes 1982, sections 352.041, subdivision 6; 352.115, subdivisions 4 and 5; 352.118; 352.1191; 352.22, subdivision 4; 352.71; 352.93, subdivisions 5 and 6; 352B.01, subdivision 8; 352B.02, subdivision 2; 352B.06; 352B.13; 352B.261; and 352B.262.

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. 697, A bill for an act relating to the city of St. Paul; providing for facilities, bonding, powers, and duties of the St. Paul port authority; amending Laws 1976, chapter 234, section 3, subdivision 1.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Tomlinson moved that the House concur in the Senate amendments to H. F. No. 697 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 697, A bill for an act relating to the city of St. Paul; providing for facilities, bonding, powers, and duties of the St. Paul port authority; amending Laws 1976, chapter 234, section 3, 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 96 yeas and 24 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Eken	Knuth	Olsen	Rose
Anderson, G.	Elioff	Kostohryz	Omann	St. Onge
Anderson, R.	Ellingson	Krueger	Osthoff	Sarna
Battaglia	Evans	Larsen	Otis	Schoenfeld
Beard	Findlay	Levi	Pauly	Seaberg
Begich	Graba	Long	Peterson	Shaver
Bennett	Greenfield	Mann	Picpho	Sherman
Bergstrom	Gruenes	Marsh	Piper	Simoneau
Berkelman	Gustafson	McEachern	Price	Skoglund
Bishop	Gutknecht	McKasy	Quinn	Sparby
Brandl	Heap	Metzen	Quist	Stadum
Brinkman	Hoffman	Minne	Redalen	Staten
Burger	Jacobs	Munger	Reif	Swanson
Carlson, L.	Jensen	Murphy	Rice	Temliason
Clark, J.	Kahn	Nelson, K.	Riveness	Tunheim
Clawson	Kalis	Neuenschwander	Rodosovich	Valan
Cohen	Kelly	O'Connor	Rodriguez, C.	Vanasek
Coleman	Knickerbocker	Ogren	Rodriguez, F.	Vellenga

Voss

Waltman

Welch

Welle

Wenzel
Speaker Sichen

Those who voted in the negative were:

Blatz	Forsythe	Hokr	Schreiber	Valento
Dempsey	Frerichs	Jennings	Shea	Welker
DenOuden	Haukoos	Kvam	Sviggum	Wigley
Dimler	Heinitz	Ludeman	Thiede	Zaffke
Erickson	Himle	Schafer	Uphus	

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. 190, A bill for an act relating to courts; providing for the appointment of a court commissioner to solemnize marriages in Brown, Dodge, Fillmore and Olmsted counties; proposing new law coded in Minnesota Statutes, chapter 517.

PATRICK E. FLAHAVER, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Frerichs moved that the House concur in the Senate amendments to H. F. No. 190 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 190, A bill for an act relating to courts; providing for the appointment of a court commissioner to solemnize marriages in Brown, Dodge, Fillmore and Olmsted counties; amending Minnesota Statutes 1982, section 517.041.

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 120 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Evans	Krueger	Pauly	Sherman
Anderson, G.	Findlay	Kvam	Peterson	Simoneau
Anderson, R.	Fjoslien	Larsen	Piepho	Spärby
Beard	Forsythe	Levi	Piper	Stadum
Bennett	Frerichs	Leng	Price	Staten
Bergstrom	Graba	Ludeman	Quist	Swiggum
Bishop	Greenfield	Mann	Redalen	Swanson
Blatz	Cruenes	Marsh	Reif	Thiede
Brandl	Gustafson	McDonald	Ricc	Tomlinson
Brinkman	Cutknecht	McEachern	Riveness	Tunheim
Burger	Haukoos	McKasy	Rodosovich	Uphus
Carlson, D.	Heap	Metzen	Rodriguez, C.	Valan
Carlson, L.	Heinitz	Minne	Rodriguez, F.	Valento
Clark, J.	Himle	Munger	Rose	Vanasek
Clawson	Hoffman	Murphy	St. Onge	Vellenga
Cohen	Hokr	Nelson, D.	Sarna	Voss
Coleman	Jacobs	Nelson, K.	Schafer	Waltman
Cempsey	Jennings	Neuenschwander	Scheid	Welch
DenOuden	Jensen	O'Connor	Schoenfeld	Welker
Dimler	Kalis	Ogren	Schreiber	Welle
Eken	Kelly	Olsen	Seaberg	Wenzel
Elioff	Knickerbocker	Omann	Segal	Wigley
Ellingson	Knuth	Onnen	Shaver	Zaifke
Erickson	Kostohryz	Otis	Shea	Speaker Sieben

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 amendment to:

S. F. No. 238, A bill for an act relating to mining; including peat within the provisions of mineland reclamation laws; requiring adoption of certain reclamation rules prior to issuance of metallic mining permits; amending Minnesota Statutes 1982, sections 93.44; 93.46, subdivisions 2 and 6; and 93.481, by adding a subdivision; proposing new law coded in Minnesota Statutes, chapter 93.

And the Senate respectfully requests that a Conference Committee be appointed thereon. The Senate has appointed as such committee Messrs. Diessner, Merriam and Bernhagen.

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

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. 238. The motion prevailed.

Mr. Speaker:

I hereby announce that the Senate refuses to concur in the House amendment to:

S. F. No. 280, A bill for an act relating to data privacy; establishing standards and procedures for the release of financial information; proposing new law coded as Minnesota Statutes, chapter 13A.

And the Senate respectfully requests that a Conference Committee be appointed thereon. The Senate has appointed as such committee Mr. Merriam; Mrs. Lantry, Messrs. Spear; Petty and Johnson, D. E.

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

Quinn 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. 280. The motion prevailed.

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. 76, A bill for an act relating to the environment; establishing an environmental response, compensation and compliance fund to pay for removal and remedial action associated with certain hazardous substances released into the environment and for other purposes; providing for liability for cleanup costs, personal injury, economic loss, and damage to natural resources resulting from releases of hazardous substances; imposing taxes, fees, and penalties; providing for injunctive relief; appropriating money; amending Minnesota Statutes 1982, sections 115A.24, subdivision 1; 466.01, by adding a subdivision; and 466.04, subdivision 1; proposing new law coded in Minnesota Statutes, chapter 116; proposing new law coded as Minnesota Statutes, chapter 115B; repealing Minnesota Statutes 1982, section 115A.24, subdivision 2.

The Senate has appointed as such committee Messrs. Merriam ; Peterson, R. W. ; Luther ; Petty and Berg.

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 Senate Files, herewith transmitted:

S. F. Nos. 281, 398 and 607.

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. 791 and 996.

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. 302, 372, 519 and 689.

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. 72, 616, 755, 923 and 927.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

S. F. No. 664.

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. 782 and 1198.

PATRICK E. FLAHAVEN, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 281, A bill for an act relating to elections; changing the date and time of precinct caucuses; prohibiting various government, school and university events on caucus night; amending Minnesota Statutes 1982, sections 202A.14, subdivision 1; and 202A.19.

The bill was read for the first time.

Osthoff moved that S. F. No. 281 and H. F. No. 254, now on the Calendar, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 398, A bill for an act relating to vulnerable adults; refining the Vulnerable Adults Reporting Act; specifying reporting requirements; specifying access to reports; preventing record destructions; amending Minnesota Statutes 1982, section 626.557, subdivisions 2, 3, 4, 10, 12, 14, and by adding a subdivision; repealing Minnesota Statutes 1982, section 626.557, subdivision 12a.

The bill was read for the first time.

Clawson moved that S. F. No. 398 and H. F. No. 806, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 607, A bill for an act relating to state employees; authorizing the deduction from salaries or wages of sums of money designated by them for certain combined charitable funds; amending Minnesota Statutes 1982, section 15.375, subdivision 2; proposing new law coded in Minnesota Statutes, chapter 309; repealing Minnesota Statutes 1982, section 15.375, subdivision 1.

The bill was read for the first time.

Clawson moved that S. F. No. 607 and H. F. No. 642, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 791, A bill for an act relating to natural resources; authorizing the commissioner of natural resources to convey to private persons, under certain circumstances, road easements across railroad rights-of-way acquired for trail purposes; proposing new law coded in Minnesota Statutes, chapter 84.

The bill was read for the first time.

Knuth moved that S. F. No. 791 and H. F. No. 957, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 996, A bill for an act relating to financial institutions; authorizing the approval of applications for bank charters and detached facilities; establishing emergency procedures to prevent loss of banking services in a community as a result of a failing bank; amending Minnesota Statutes 1982, section 45.05; proposing new law coded in Minnesota Statutes, chapter 47.

The bill was read for the first time.

Ogren moved that S. F. No. 996 and H. F. No. 1049, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 302, A bill for an act relating to juveniles; authorizing juvenile courts to release information about certain delinquency adjudications and dispositions; amending Minnesota Statutes 1982, section 260.155, subdivision 1.

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

S. F. No. 372, 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 and referred to the Committee on Appropriations.

S. F. No. 519, A bill for an act relating to taxation; property; clarifying the valuation of agricultural land located in cities; amending Minnesota Statutes 1982, section 273.11, subdivision 7.

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

S. F. No. 689, A bill for an act relating to the town of St. Cloud; permitting its division into urban and rural service districts.

The bill was read for the first time.

Gruenes moved that S. F. No. 689 and H. F. No. 423, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 72, A bill for an act relating to occupations and professions; authorizing the commissioner of public safety to provide administrative support services to the board of peace officer standards and training; amending Minnesota Statutes 1982, sections 214.04, subdivision 1; 626.843, subdivision 1; 626.845, subdivision 1; and 626.849.

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

S. F. No. 616, A bill for an act relating to the council for the handicapped; providing for appointment of members to the council; decreasing the number of council members; making the council permanent; clarifying the purposes of committees within the council; describing duties; amending Minnesota Statutes 1982, sections 256.481; and 256.482; repealing Minnesota Statutes 1982, section 256.483.

The bill was read for the first time.

Clark, K., moved that S. F. No. 616 and H. F. No. 570, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 755, A bill for an act relating to agriculture; making changes in the artificial dairy products act; amending Minnesota Statutes 1982, sections 32.53; 32.531; 32.5311; 32.532; 32.533; and proposing new law coded in Minnesota Statutes, chapter 32.

The bill was read for the first time.

Krueger moved that S. F. No. 755 and H. F. No. 1057, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 923, A bill for an act relating to libraries; prohibiting the theft or damage of library materials; restricting tort liability for public libraries; prescribing a penalty; amending Minnesota Statutes 1982, section 466.01, subdivision 1; proposing new law coded in Minnesota Statutes, chapter 609.

The bill was read for the first time.

Anderson, B., moved that S. F. No. 923 and H. F. No. 874, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 927, A bill for an act relating to Independent School District No. 709; providing for withdrawal of clerical workers from civil service; amending Laws 1967, chapter 252, section 2, as amended.

The bill was read for the first time.

Gustafson moved that S. F. No. 927 and H. F. No. 869, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 664, A bill for an act relating to the city of St. Cloud; authorizing the creation of a downtown parking district; providing for its finances.

The bill was read for the first time.

Gruenes moved that S. F. No. 664 and H. F. No. 507, now on the Calendar, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 782, A bill for an act relating to highway traffic regulations; providing a penalty for the operation of a vehicle in a manner that endangers or is likely to endanger property or persons; amending Minnesota Statutes 1982, section 169.13, subdivision 2.

The bill was read for the first time.

Coleman moved that S. F. No. 782 and H. F. No. 926, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1198, A bill for an act relating to state government; providing for deficiencies in appropriations for the expenses of state government with certain conditions; appropriating money.

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

CONSENT CALENDAR

The Speaker called Wynia to the Chair.

S. F. No. 1067, A bill for an act relating to crimes; exempting participants in supervised research programs from arrest for certain driving violations; amending Minnesota Statutes 1982, section 169.121, 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 124 yeas and 2 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Ellingson	Kostohryz	Otis	Sherman
Anderson, G.	Evans	Krueger	Pauly	Simoneau
Anderson, R.	Findlay	Kvam	Peterson	Skoglund
Battaglia	Fjoslien	Larsen	Piepho	Solberg
Beard	Forsythe	Levi	Piper	Sparby
Begich	Frerichs	Long	Price	Stadum
Bennett	Greenfield	Ludeman	Quinn	Staten
Bergstrom	Gruenes	Mann	Quist	Sviggum
Berkelman	Gustafson	Marsh	Redalen	Swanson
Bishop	Gutknecht	McEachern	Reif	Thiede
Blatz	Halberg	McKasy	Rice	Tomlinson
Brandl	Haukoos	Metzen	Riveness	Tunheim
Brinkman	Heap	Minne	Rodosovich	Uphus
Burger	Heinitz	Munger	Rodriguez, C.	Valan
Carlson, D.	Himle	Murphy	Rodriguez, F.	Valento
Carlson, L.	Hoffman	Nelson, D.	Rose	Vanasek
Clark, J.	Hokr	Nelson, K.	St. Onge	Voss
Clark, K.	Jacobs	Neuenschwander	Sarna	Waltman
Clawson	Jennings	Norton	Scheid	Welch
Cohen	Jensen	O'Connor	Schoenfeld	Welker
Coleman	Kahn	Ogren	Schreiber	Welle
Dempsey	Kalis	Olsen	Seaberg	Wenzel
DenOuden	Kelly	Omann	Segal	Wigley
Eken	Knickerbocker	Onnen	Shaver	Wynia
Elioff	Knuth	Osthoff	Shea	

Those who voted in the negative were:

Dimler McDonald

The bill was passed and its title agreed to.

There being no objection the bills on the Technical Consent Calendar were now considered.

S. F. No. 92, A bill for an act relating to towns, cities, and counties; requiring other government units to give notice to towns, cities, and counties of actions that affect land use or taxation; proposing new law coded in Minnesota Statutes, chapter 471.

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 126 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Begich	Blatz	Carlson, D.	Cohen
Anderson, G.	Bennett	Brandl	Carlson, L.	Coleman
Battaglia	Berkelman	Brinkman	Clark, J.	Dempsey
Beard	Bishop	Burger	Clawson	DenOuden

Dimler	Jennings	Nelson, D.	Rodriguez, C.	Thiede
Eken	Jensen	Nelson, K.	Rodriguez, F.	Tomlinson
Elioff	Kalis	Neuenschwander	Rose	Tunheim
Ellingson	Kelly	Norton	St. Onge	Uphus
Evans	Knickerbocker	O'Connor	Sarna	Valan
Findlay	Knuth	Ogren	Schafer	Valento
Fjoslien	Kostohryz	Olsen	Scheid	Vanasek
Forsythe	Krueger	Onnen	Schoenfeld	Vellenga
Frerichs	Kvam	Osthoff	Schreiber	Voss
Graba	Larsen	Otis	Seaberg	Waltman
Greenfield	Levi	Pauly	Segal	Welch
Gruenes	Long	Peterson	Shaver	Welker
Gustafson	Ludeman	Piepho	Shea	Welle
Gutknecht	Mann	Piper	Sherman	Wenzel
Halberg	Marsh	Price	Simoneau	Wigley
Haukoos	McDonald	Quinn	Skoglund	Wynia
Heap	McEachern	Quist	Solberg	Zaifke
Heinitz	McKasy	Redalen	Sparby	Speaker Sieben
Himle	Metzen	Reif	Stadum	
Hoffman	Minne	Rice	Staten	
Hokr	Munger	Riveness	Sviggum	
Jacobs	Murphy	Rodosovich	Swanson	

The bill was passed and its title agreed to.

S. F. No. 246, A bill for an act relating to elections; reducing the filing fee for candidates for soil and water conservation supervisor; amending Minnesota Statutes 1982, section 204B.11, 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 125 yeas and 2 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Ellingson	Kelly	O'Connor	Schafer
Anderson, G.	Evans	Knickerbocker	Ogren	Scheid
Anderson, R.	Findlay	Knuth	Olsen	Schoenfeld
Battaglia	Fjoslien	Kostohryz	Omanu	Schreiber
Beard	Forsythe	Krueger	Onnen	Seaberg
Begich	Frerichs	Kvam	Osthoff	Segal
Bennett	Graba	Larsen	Otis	Shaver
Berkelman	Greenfield	Levi	Pauly	Shea
Bishop	Gruenes	Long	Peterson	Sherman
Blatz	Gustafson	Ludeman	Piepho	Solberg
Brandl	Gutknecht	Mann	Piper	Sparby
Brinkman	Halberg	Marsh	Price	Stadum
Burger	Haukoos	McDonald	Quist	Staten
Carlson, D.	Heap	McEachern	Redalen	Sviggum
Carlson, L.	Heinitz	McKasy	Reif	Swanson
Clawson	Himle	Metzen	Rice	Thiede
Cohen	Hoffman	Minne	Riveness	Tomlinson
Coleman	Hokr	Munger	Rodosovich	Tunheim
Dempsey	Jacobs	Murphy	Rodriguez, C.	Uphus
DenOuden	Jennings	Nelson, D.	Rodriguez, F.	Valan
Dimler	Jensen	Nelson, K.	Rose	Valento
Eken	Kahn	Neuenschwander	St. Onge	Vanasek
Elioff	Kalis	Norton	Sarna	Vellenga

Voss	Welch	Welle	Wigley	Zaffke
Waltman	Welker	Wenzel	Wynia	Speaker Sieben

Those who voted in the negative were:

Clark, J. Skoglund

The bill was passed and its title agreed to.

S. F. No. 323, A bill for an act relating to retirement; extending the reporting date required in connection with state aid distribution; amending Minnesota Statutes 1982, sections 69.011, subdivision 2; and 69.051, subdivisions 1 and 3.

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

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

Those who voted in the affirmative were:

Anderson, B.	Erickson	Krueger	Pauly	Skoglund
Anderson, G.	Evans	Kvam	Peterson	Solberg
Anderson, R.	Findlay	Larsen	Piepho	Sparby
Battaglia	Fjoslien	Levi	Piper	Stadum
Beard	Forsythe	Long	Price	Staten
Begich	Frerichs	Ludeman	Quist	Sviggum
Bennett	Graba	Mann	Redalen	Swanson
Berkelman	Greenfield	Marsh	Reif	Thiede
Bishop	Gruenes	McDonald	Rice	Tomlinson
Blatz	Gustafson	McEachern	Riveness	Tunheim
Brandl	Gutknecht	McKasy	Rodosovich	Uphus
Brinkman	Halberg	Metzen	Rodriguez, C.	Valan
Burger	Haukoos	Minne	Rodriguez, F.	Valento
Carlson, D.	Heap	Munger	Rose	Vanasek
Carlson, L.	Heinitz	Murphy	St. Onge	Vellenga
Clark, J.	Himle	Nelson, D.	Sarna	Voss
Clark, K.	Hoffman	Nelson, K.	Schafer	Waltman
Clawson	Jacobs	Neuenschwander	Scheid	Welch
Cohen	Jennings	Norton	Schoenfeld	Welker
Coleman	Jensen	O'Connor	Schreiber	Welle
Dempsey	Kahn	Ogren	Seaberg	Wenzel
DenOuden	Kalis	Olsen	Segal	Wigley
Dimler	Kelly	Omann	Shaver	Wynia
Eken	Knickerbocker	Onnen	Shea	Zaffke
Elioff	Knuth	Osthoff	Sherman	Speaker Sieben
Ellingson	Kostohryz	Otis	Simoneau	

The bill was passed and its title agreed to.

S. F. No. 673, A bill for an act relating to motor vehicles; providing for handicapped persons to obtain special plates for recreational vehicles; amending Minnesota Statutes 1982, section 168.021, 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:

Anderson, B.	Ellingson	Knuth	Pauly	Skoglund
Anderson, G.	Erickson	Kostohryz	Peterson	Solberg
Anderson, R.	Evans	Krueger	Piepho	Sparby
Battaglia	Findlay	Kvam	Piper	Stadum
Beard	Fjoslien	Larsen	Price	Staten
Begich	Forsythe	Levi	Quist	Sviggum
Bennett	Frerichs	Long	Redalen	Swanson
Bergstrom	Graba	Ludeman	Reif	Thiede
Berkelman	Greenfield	Mann	Rice	Tomlinson
Bishop	Gruenes	Marsh	Riveness	Tunheim
Blatz	Gustafson	McDonald	Rodosovich	Uphus
Brandl	Gutknecht	McEachern	Rodriguez, C.	Valan
Brinkman	Halberg	McKasy	Rodriguez, F.	Valento
Burger	Haukoos	Metzen	Rose	Vanasek
Carlson, D.	Heap	Minne	St. Onge	Vellenga
Carlson, L.	Heinitz	Munger	Sarna	Voss
Clark, J.	Himle	Murphy	Schafer	Waltman
Clark, K.	Hoffman	Nelson, K.	Scheid	Welch
Clawson	Hokr	Neuenschwander	Schoenfeld	Welker
Cohen	Jacobs	Norton	Schreiber	Welle
Coleman	Jennings	Ogren	Seaberg	Wenzel
Dempsey	Jensen	Olsen	Segal	Wigley
DenOuden	Kahn	Omamm	Shaver	Wynia
Dimler	Kalis	Onnen	Shea	Zaffke
Eken	Kelly	Osthoff	Sherman	Speaker Sieben
Elioff	Knickerbocker	Otis	Simoneau	

The bill was passed and its title agreed to.

The Speaker resumed the Chair.

S. F. No. 808, A bill for an act relating to the state seal; providing a description of the official state seal; amending Minnesota Statutes 1982, section 1.143; proposing new law coded in Minnesota Statutes, chapter 1; repealing Minnesota Statutes 1982, sections 1.144 and 358.02.

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

The question was taken on the passage of the bill and the roll was called. There were 118 yeas and 8 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Blatz	DenOuden	Frerichs	Himle
Anderson, G.	Brandl	Dimler	Graba	Hoffman
Battaglia	Brinkman	Eken	Gruenes	Hokr
Beard	Burger	Elioff	Gustafson	Jacobs
Begich	Carlson, D.	Ellingson	Gutknecht	Jennings
Bennett	Carlson, L.	Evans	Halberg	Jensen
Bergstrom	Clawson	Findlay	Haukoos	Kalis
Berkelman	Cohen	Fjoslien	Heap	Kelly
Bishop	Dempsey	Forsythe	Heinitz	Knickerbocker

Knuth	Murphy	Quist	Shea	Valento
Kostohryz	Nelson, D.	Redalen	Sherman	Vanasek
Krueger	Neuenschwander	Reif	Simoneau	Vellenga
Kvam	Norton	Rice	Skoglund	Voss
Larsen	Ogren	Rodosovich	Solberg	Waltman
Levi	Olsen	Rodriguez, C.	Sparby	Welch
Ludeman	Omann	Rodriguez, F.	Stadum	Welker
Mann	Onnen	Rose	Staten	Welle
Marsh	Otis	Sarna	Sviggunn	Wenzel
McDonald	Pauly	Schafer	Swanson	Wigley
McEachern	Peterson	Scheid	Thiede	Wynia
McKasy	Piepho	Schoenfeld	Tomlinson	Zaffke
Metzen	Piper	Schreiber	Tunheim	Speaker Sieben
Minne	Price	Seaberg	Uphus	
Munger	Quinn	Shaver	Valan	

Those who voted in the negative were:

Anderson, R.	Clark, K.	Greenfield	Osthoff	Segal
Clark, J.	Coleman	Kahn		

The bill was passed and its title agreed to.

S. F. No. 1104 was reported to the House.

Jacobs moved that S. F. No. 1104 be continued one day. The motion prevailed.

CALENDAR

H. F. No. 375, A bill for an act relating to public welfare; authorizing the establishment of community work experience programs on a pilot demonstration basis; proposing new law coded in Minnesota Statutes, chapter 256.

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 126 yeas and 1 nay as follows:

Those who voted in the affirmative were:

Anderson, B.	Clark, K.	Frerichs	Kahn	McEachern
Anderson, G.	Clawson	Graba	Kalis	McKasy
Anderson, R.	Cohen	Greenfield	Kelly	Metzen
Battaglia	Coleman	Gruenes	Knickerbocker	Minne
Beard	Dempsey	Gustafson	Knuth	Munger
Begich	DenOuden	Gutknecht	Kostohryz	Murphy
Bennett	Dimler	Halberg	Krueger	Nelson, D.
Berkelman	Eken	Haukoos	Kvam	Nelson, K.
Bishop	Elioff	Heap	Larsen	Neuenschwander
Blatz	Ellingson	Heinitz	Levi	Norton
Brandl	Erickson	Himle	Leng	O'Connor
Brinkman	Evans	Hokr	Ludeman	Ogren
Burger	Findlay	Jacobs	Mann	Olsen
Carlson, D.	Fjoslien	Jennings	Marsh	Omann
Carlson, L.	Forsythe	Jensen	McDonald	Onnen

Osthoff	Riveness	Seaberg	Sviggum	Waltman
Otis	Rodosovich	Segal	Swanson	Welch
Pauly	Rodriguez, C.	Shaver	Thiede	Wenzel
Peterson	Rodriguez, F.	Shea	Tomlinson	Wigley
Piepho	Rose	Sherman	Tunheim	Wynia
Price	St. Onge	Simoneau	Uphus	Zaffke
Quinn	Sarna	Skoglund	Valan	Speaker Sieben
Quist	Schafer	Solberg	Valento	
Redalen	Scheid	Sparby	Vanasek	
Reif	Schoenfeld	Stadum	Vellenga	
Rice	Schreiber	Staten	Voss	

Those who voted in the negative were:

Clark, J.

The bill was passed and its title agreed to.

H. F. No. 519, A bill for an act relating to public welfare; abolishing funding priorities for a certain grant program related to facilities for adult mentally ill persons; amending Minnesota Statutes 1982, section 245.73, 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 128 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Ellingson	Kostohryz	Otis	Skoglund
Anderson, G.	Erickson	Krueger	Peterson	Solberg
Anderson, R.	Evaus	Kvam	Piepho	Sparby
Battaglia	Findlay	Larsen	Piper	Stadum
Beard	Fjoslien	Levi	Price	Staten
Begich	Forsythe	Long	Quinn	Sviggum
Bennett	Frerichs	Ludeman	Quist	Swanson
Bergstrom	Graba	Mann	Redalen	Thiede
Berkelman	Greenfield	Marsh	Reif	Tomlinson
Bishop	Gruenes	McDonald	Rice	Uphus
Blatz	Gustafson	McEachern	Riveness	Valan
Brandl	Gutknecht	McKasy	Rodosovich	Valento
Brinkman	Halberg	Metzen	Rodriguez, C.	Vanasek
Burger	Haukoos	Minne	Rodriguez, F.	Vellenga
Carlson, D.	Heap	Munger	Rose	Voss
Carlson, L.	Heinitz	Murphy	St. Onge	Waltman
Clark, J.	Himle	Nelson, D.	Sarna	Welch
Clark, K.	Hokr	Nelson, K.	Schafer	Welker
Clawson	Jacobs	Neuenschwander	Scheid	Welle
Cohen	Jennings	Norton	Schoenfeld	Wenzel
Coleman	Jensen	O'Connor	Schreiber	Wigley
Dempsey	Kahn	Ogren	Seaberg	Wynia
DenOuden	Kalis	Olsen	Shaver	Zaffke
Dimler	Kelly	Omamn	Shea	Speaker Sieben
Eken	Knickerbocker	Onnen	Sherman	
Elioff	Knuth	Osthoff	Simoneau	

The bill was passed and its title agreed to.

H. F. No. 537, A bill for an act relating to education; providing for the inclusion of certain community college and state university faculty members in the definition of an employee under the public employment labor relations act; amending Minnesota Statutes 1982, section 179.63, 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 82 yeas and 47 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Ellingson	Marsh	Quinn	Solberg
Battaglia	Greenfield	McEachern	Reif	Sparby
Beard	Gruenes	Metzen	Rice	Staten
Begich	Gustafson	Minne	Riveness	Swanson
Bennett	Heap	Munger	Rodosovich	Tomlinson
Bergstrom	Hoffman	Murphy	Rodriguez, C.	Tunheim
Berkelman	Jacobs	Nelson, D.	Rodriguez, F.	Vanasek
Brandl	Jensen	Nelson, K.	Rose	Vellenga
Carlson, D.	Kahn	Neuenschwander	St. Onge	Voss
Carlson, L.	Kalis	Norton	Sarna	Welch
Clark, J.	Kelly	O'Connor	Scheid	Welle
Clark, K.	Knuth	Ogren	Schoenfeld	Wenzel
Clawson	Kostohryz	Osthoff	Seaberg	Wynia
Cohen	Krueger	Otis	Segal	Speaker Sieben
Coleman	Larsen	Peterson	Sherman	
Eken	Long	Piper	Simoneau	
Elioff	Mann	Price	Skoglund	

Those who voted in the negative were:

Anderson, B.	Findlay	Jennings	Piepho	Uphus
Bishop	Fjoslien	Knickerbocker	Quist	Valan
Blatz	Forsythe	Kvam	Redalen	Valento
Brinkman	Frerichs	Levi	Schafer	Waltman
Burger	Graba	Ludeman	Schreiber	Welker
Dempsey	Cutknecht	McDonald	Shaver	Wigley
DenOuden	Haukoos	Olsen	Shea	Zaffke
Dimler	Heinitz	Omann	Stadum	
Erickson	Himle	Onnen	Sviggum	
Evans	Hekr	Pauly	Thiede	

The bill was passed and its title agreed to.

H. F. No. 582, A bill for an act relating to corrections; clarifying the powers of the commissioner of corrections; limiting certain inmate functions; authorizing the use of necessary force to prevent escape; providing for the costs of transporting juvenile delinquents committed to the commissioner of corrections; providing for supervision of gross misdemeanant probationers; removing archaic language; amending Minnesota Statutes 1982, sections 241.01, subdivision 3a; 241.23; 242.31, subdivisions 1 and 3; 243.17, subdivision 1; 243.52; 243.58; 243.62; 609.135, subdivision 1; and 624.714, subdivision 13.

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:

Anderson, B.	Erickson	Krueger	Peterson	Solberg
Anderson, G.	Evans	Kvam	Piepho	Sparby
Anderson, R.	Findlay	Larsen	Piper	Stadum
Battaglia	Fjoslien	Levi	Price	Staten
Beard	Forsythe	Long	Quinn	Sviggum
Begich	Frerichs	Ludeman	Quist	Swanson
Bennett	Graba	Mann	Redalen	Thiede
Bergstrom	Greenfield	Marsh	Reif	Tomliason
Berkelman	Grunes	McDonald	Rice	Tunheim
Bishop	Gustafson	McEachern	Riveness	Uphus
Blatz	Gutknecht	McKasy	Rodosovich	Valan
Brandl	Halberg	Metzen	Rodriguez, C.	Valento
Brinkman	Haukoos	Minne	Rodriguez, F.	Vanasek
Burger	Heap	Munger	Rose	Vellenga
Carlson, D.	Heinitz	Murphy	St. Onge	Voss
Carlson, L.	Himle	Nelson, D.	Sarna	Waltman
Clark, J.	Hoffman	Nelson, K.	Schafer	Welch
Clark, K.	Hokr	Neuenschwander	Scheid	Welker
Clawson	Jacobs	Norton	Schoenfeld	Welle
Cohen	Jennings	O'Connor	Schreiber	Wenzel
Coleman	Jensen	Ogren	Seaberg	Wigley
Dempsey	Kahn	Olsen	Segal	Wynia
DenOuden	Kalis	Omann	Shaver	Zaffke
Dimler	Kelly	Gnren	Shea	Speaker Sieben
Eken	Knickerbocker	Osthoff	Sherman	
Elioff	Knuth	Otis	Simoneau	
Ellingsen	Kostohryz	Pauly	Skoglund	

The bill was passed and its title agreed to.

H. F. No. 606, A bill for an act relating to civil commitment; clarifying the definition of person mentally ill and dangerous to the public; clarifying the commissioner's duty to review the correspondence rights of patients; providing for informal admissions of persons under 16 years of age; providing for special emergency admissions of chemically dependent persons; clarifying the role of examiners in certain instances; removing the 60-day hearing requirement for mentally retarded persons; providing for involuntary return to a facility after revocation of provisional discharges; providing for 60-day hearings for persons committed as mentally ill and dangerous; changing the time limitation on certain special review board petitions; authorizing the commissioner to accept admissions to regional centers from the Indian Health Service; amending Minnesota Statutes 1982, sections 253B.02, subdivisions 5, 13, 17, and 18; 253B.03, subdivision 2; 253B.04, subdivision 1; 253B.05, subdivision 2, and by adding a subdivision; 253B.06; 253B.07, subdivisions 1, 3, and 4; 253B.12, subdivisions 1, 3, 4, and by adding a subdivision; 253B.13, subdivision 1; 253B.15, subdivisions 5, 6, and 7; 253B.18, subdivisions 2, 3, 5, and 13; 253B.19, subdivision 5;

253B.22, subdivision 1; 253B.23, by adding a subdivision; and Laws 1982, chapter 581, section 26; proposing new law coded in Minnesota Statutes, chapter 253B.

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:

Anderson, B.	Erickson	Krueger	Peterson	Solberg
Anderson, G.	Evans	Kvam	Piepho	Sparby
Anderson, R.	Findlay	Larsen	Piper	Stadum
Battaglia	Fjoslien	Levi	Price	Staten
Beard	Forsythe	Long	Quinn	Sviggum
Begich	Frerichs	Ludeman	Quist	Swanson
Bennett	Graba	Mann	Redalen	Thiede
Bergstrom	Greenfield	Marsh	Reif	Tomlinson
Berkelman	Gruenes	McDonald	Rice	Tunheim
Bishop	Gustafson	McEachern	Riveness	Uphus
Blatz	Gutknecht	McKasy	Rodosovich	Valan
Brandl	Halberg	Metzen	Rodriguez, C.	Valento
Brinkman	Haukoos	Minne	Rodriguez, F.	Vanasek
Burger	Heap	Munger	Rose	Vellenga
Carlson, D.	Heinitz	Murphy	St. Onge	Voss
Carlson, L.	Himle	Nelson, D.	Sarna	Waltman
Clark, J.	Hoffman	Nelson, K.	Schafer	Welch
Clark, K.	Hokr	Neuenschwander	Scheid	Welker
Clawson	Jacobs	Norton	Schoenfeld	Wenzel
Cohen	Jennings	O'Connor	Schreiber	Wigley
Coleman	Jensen	Ogren	Seaberg	Wynia
Dempsey	Kahn	Olsen	Segal	Zaffke
DenOuden	Kalis	Omann	Shaver	Speaker Sieben
Dimler	Kelly	Onnen	Shea	
Eken	Knickerbocker	Osthoff	Sherman	
Elioff	Knuth	Otis	Simoneau	
Ellingson	Kostohryz	Pauly	Skoglund	

Those who voted in the negative were:

Welle

The bill was passed and its title agreed to.

H. F. No. 657, A bill for an act relating to transportation; authorizing the commissioner to expend money for railroad acquisition by a regional railroad authority; modifying requirements for compliance with standards for zoning ordinances for municipal airports; modifying the regional railroad authority act to allow municipalities to form regional railroad authorities; allowing the expenditure of certain state funds for railroad improvement and acquisition; providing an aircraft base price for taxation purposes; amending Minnesota Statutes 1982, sections 222.50, subdivision 7; 360.063, subdivisions 3, 4, and 6; 360.065, subdivision 2; 360.066, subdivision 1; 360.067, subdivision 1; 360.531, subdivision 4; 398A.02; 398A.03; 398A.04,

subdivisions 8 and 9; 398A.07, subdivision 2; and Laws 1980, chapter 610, section 1, 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 129 yeas and 2 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Ellingson	Knuth	Otis	Skoglund
Anderson, G.	Erickson	Kostohryz	Pauly	Solberg
Anderson, R.	Evans	Krueger	Peterson	Sparby
Battaglia	Findlay	Kvam	Piepho	Stadum
Beard	Fjoslien	Larsen	Piper	Staten
Begich	Forsythe	Levi	Price	Sviggum
Bennett	Frerichs	Long	Quist	Swanson
Bergstrom	Graba	Mann	Redalen	Thiede
Berkelman	Greenfield	Marsh	Reif	Tomlinson
Bishop	Gruenes	McDonald	Rice	Tunheim
Blatz	Gustafson	McEachern	Riveness	Uphus
Brandl	Gutknecht	McKasy	Rodosovich	Valan
Brinkman	Halberg	Metzen	Rodriguez, C.	Valento
Burger	Haukoos	Minne	Rodriguez, F.	Vanasek
Carlson, D.	Heap	Munger	Rose	Vellenga
Carlson, L.	Heinitz	Murphy	St. Onge	Voss
Clark, J.	Himle	Nelson, D.	Sarna	Waltman
Clark, K.	Hoffman	Nelson, K.	Schafer	Welch
Clawson	Hokr	Neuenschwander	Scheid	Welder
Cohen	Jacobs	Norton	Schoenfeld	Welle
Coleman	Jennings	O'Connor	Seaberg	Wenzel
Dempsey	Jensen	Ogren	Segal	Wigley
DenOuden	Kahn	Olsen	Shaver	Wynia
Dimler	Kalis	Omam	Shea	Zaffke
Eken	Kelly	Onnen	Sherman	Speaker Sieben
Elioff	Knickerbocker	Osthoff	Simoneau	

Those who voted in the negative were:

Ludeman Schreiber

The bill was passed and its title agreed to.

H. F. No. 672, A bill for an act relating to taxation; sales and use; clarifying the taxability or exempt status of certain items or transactions; providing penalties for certain operators or misuse of exemption certificates; clarifying filing dates and penalties for not timely filing or paying the tax; authorizing the filing of security and the use of sampling; providing restrictions on refunds; clarifying payments required before appeal; eliminating the fee for permits; amending Minnesota Statutes 1982, sections 297A.01, subdivisions 3 and 4; 297A.25, subdivision 1; 297A.27, subdivision 1; 297A.275; 297A.28; 297A.31, subdivision 1; 297A.35, subdivision 1, and by adding a subdivision; 297A.391; and 297B.03; proposing new law coded in Minnesota Statutes, chapter 297A; repealing Minnesota Statutes 1982, sections 297A.05 and 297A.251.

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 68 yeas and 61 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Eken	Metzen	Piper	Sparby
Anderson, G.	Elioff	Minne	Price	Staten
Battaglia	Ellingson	Munger	Rice	Swanson
Beard	Evans	Murphy	Rodosovich	Tomlinson
Begich	Fjoslien	Nelson, D.	Rodriguez, C.	Tunheim
Bergstrom	Greenfield	Nelson, K.	Rodriguez, F.	Vanasek
Berkelman	Gustafson	Neuenschwander	Sarna	Vellenga
Brandl	Jacobs	Norton	Scheid	Voss
Brinkman	Kahn	O'Connor	Schreiber	Welch
Carlson, L.	Kalis	Ogren	Segal	Welle
Clark, J.	Kelly	Osthoff	Shaver	Wynia
Clark, K.	Larsen	Otis	Simoneau	Speaker Sieben
Clawson	Long	Pauly	Skoglund	
Coleman	Mann	Peterson	Solberg	

Those who voted in the negative were:

Anderson, R.	Frerichs	Knuth	Quinn	Thiede
Bennett	Graba	Kostohryz	Quist	Uphus
Bishop	Gruenes	Krueger	Redalen	Valan
Blatz	Gutknecht	Kvam	Reif	Valento
Burger	Haukoos	Levi	Rose	Waltman
Carlson, D.	Heap	Ludeman	St. Onge	Welker
Cohen	Heinitz	Marsh	Schafer	Wenzel
Dempsey	Himle	McDonald	Schoenfeld	Wigley
DenOuden	Hoffman	McEachern	Seaberg	Zaffke
Dimler	Hokr	McKasy	Shea	
Erickson	Jennings	Olsen	Sherman	
Findlay	Jensen	Omam	Stadum	
Forsythe	Knickerbocker	Piepho	Sviggum	

The bill was passed and its title agreed to.

H. F. No. 794, A bill for an act relating to the legislature; enacting the present legislative apportionment into statutory form with minor alterations; amending Minnesota Statutes 1982, sections 2.021; 2.031; proposing new law coded in Minnesota Statutes, chapter 2; and repealing Minnesota Statutes 1982, sections 2.041 to 2.712.

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 101 yeas and 25 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Battaglia	Begich	Bergstrom	Blatz
Anderson, G.	Beard	Bennett	Berkelman	Brandl

Brinkman	Greenfield	Marsh	Quinn	Staten
Burger	Gruenes	McDonald	Redalen	Sviggum
Carlson, D.	Gustafson	McEachern	Rice	Swanson
Carlson, L.	Gutknecht	Metzen	Rodosovich	Tomlinson
Clark, J.	Heap	Minne	Rodriguez, C.	Tunheim
Clark, K.	Himle	Munger	Rodriguez, F.	Valento
Clawson	Hoffman	Murphy	Rose	Vanasek
Cohen	Jacobs	Nelson, D.	St. Onge	Vellenga
Coleman	Jensen	Nelson, K.	Sarna	Voss
Dempsey	Kahn	Neuenschwander	Scheid	Waltman
Dimler	Kalis	Norton	Schoenfeld	Welch
Eken	Kelly	Ogren	Seaberg	Welle
Elioff	Knuth	Osthoff	Segal	Wenzel
Ellingson	Kostohryz	Otis	Shaver	Wynia
Evans	Krueger	Pauly	Sherman	Speaker Sieben
Findlay	Larsen	Peterson	Simoneau	
Fjoslien	Levi	Piepho	Skoglund	
Forsythe	Long	Piper	Solberg	
Graba	Mann	Price	Sparby	

Those who voted in the negative were:

Anderson, R.	Haukoos	Kvam	Schafer	Uphus
Bishop	Heinitz	Ludeman	Schreiber	Valan
DenOuden	Hokr	Olsen	Shea	Welker
Erickson	Jennings	Omamn	Stadum	Wigley
Frerichs	Knickerbocker	Quist	Thiede	Zaffke

The bill was passed and its title agreed to.

Swanson was excused at 3:15 p.m.

GENERAL ORDERS

Pursuant to rules of the House, the House resolved itself into the Committee of the Whole with Sieben in the Chair for the consideration of bills pending on General Orders of the Day. Wynia presided during a portion of the meeting of the Committee of the Whole. After some time spent therein the Committee arose.

REPORT OF THE COMMITTEE OF THE WHOLE

The Speaker resumed the Chair, whereupon the following proceedings of the Committee as kept by the Chief Clerk were reported to the House:

H. F. No. 938 which it recommended progress retaining its place on General Orders.

H. F. No. 102 which it recommended to pass with the following amendment offered by Bergstrom:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1982, section 47.20, is amended by adding a subdivision to read:

Subd. 15. Notwithstanding the provisions of any other law to the contrary, any notice of default on homestead property as defined in section 5, mailed after the effective date of this section and prior to May 1, 1984, shall indicate that the borrower has 60 days from the date the notice is mailed in which to cure the default.

Sec. 2. [550.181] [TEMPORARY MINIMUM NOTICE.]

Notwithstanding the provisions of any other law to the contrary, the sale on execution or on judgment of homestead property as defined in section 5, after the effective date of this section and prior to May 1, 1984, may be held only after posted and published notice for eight weeks of the time and place of the sale, describing the property with sufficient certainty to enable a person of common understanding to identify it.

Sec. 3. Minnesota Statutes 1982, section 559.21, is amended by adding a subdivision to read:

Subd. 6. [TEMPORARY MINIMUM NOTICE.] Notwithstanding the provisions of any other law to the contrary, no contract for conveyance of homestead property, as defined in section 5, shall terminate until 60 days after service of notice if the notice is served after the effective date of this section and prior to May 1, 1984 or 90 days after service of notice if the contract was entered into after May 1, 1980 and the contract vendee has paid 25 percent or more of the purchase price. The notice shall specify this 60 or 90 day period.

Sec. 4. [583.01] [LEGISLATIVE FINDINGS.]

The legislature finds that the number of unemployed persons in this state has reached the highest level since the Depression of the 1930's; that farm commodity prices are below the break even point for the cost of production; that the number of mortgage loans currently in default due to the unemployment of the principal wage earner has reached critical levels; and that by reason of these conditions and the high rates of interest on mortgage loans, many of the citizens of this state will be unable for extended periods of time, to meet payments of taxes, interest, and principal of mortgages on their properties and are, therefore, threatened with loss of their real property through mortgage foreclosure, contract termination, and judicial sales. The legislature further finds that these conditions have resulted in an emergency of a nature that justifies and validates legislation for the extension of the time prior to foreclosure and execution sales and for other relief.

Sec. 5. [583.02] [DEFINITIONS.]

As used in sections 4 to 15, the term "homestead" means residential or agricultural real estate, a portion or all of which is en-

titled to receive homestead credit under section 273.13, subdivision 15a.

Sec. 6. [583.03] [APPLICATION.]

Subdivision 1. [PROPERTY COVERED.] The provisions of sections 1 to 15 apply to first mortgages secured by and contracts for deed conveying, homesteads within the meaning of section 5, including: (a) mortgages held by the United States or by any agency, department, bureau, or instrumentality of the United States, as security or pledge of the mortgagor, its successors or assigns; and (b) mortgages held as security or pledge to secure payment of a public debt or to secure payment of the deposit of public funds.

Subd. 2. [GENERAL EXCLUSION.] The provisions of sections 1 to 15 do not apply to mortgages or contracts for deed made after the effective date of sections 1 to 15, nor to mortgages or contracts for deed made before the effective date of sections 1 to 15, which are renewed or extended after the effective date of sections 1 to 15 for a period longer than one year, nor to mortgages, judgments, or contracts for deed, regardless of when made, if a second or subsequent mortgage is made against the property after the effective date of sections 1 to 15. No court shall allow a stay, postponement, or extension of time that would cause any right to be lost or adversely affected by any statute of limitation.

Sec. 7. [583.04] [MORTGAGOR MAY APPLY TO DISTRICT COURT FOR RELIEF.]

Any mortgagor, or owner in possession of the mortgaged premises, or anyone claiming under the mortgage, or anyone liable for the mortgage debt, may at any time after the issuance of the notice of the foreclosure proceedings and prior to the sale, petition the district court of the county where the foreclosure proceedings are pending, serving a summons and verified complaint requesting that the sale in foreclosure be postponed for up to six months or, in the case of a farm homestead located on more than ten acres, for up to 12 months. A contract for deed vendee or anyone claiming under the contract or liable for the contract payment, in any case where the contract has not yet been terminated as of the effective date of sections 4 to 15, may petition the district court in the same manner, requesting that the contract termination be delayed for up to 90 days. Upon receiving the petition, the court shall order a stay in the foreclosure proceedings until after the hearing on the petition. As a condition precedent to the postponement of the foreclosure sale, the party serving the verified complaint shall file it and pay to the clerk for the person foreclosing the mortgage the actual costs incurred, including attorney's fees, in the foreclosure proceeding before postponement. As a condition precedent to delay of the contract termination, the party seeking relief shall file the

verified complaint and pay to the clerk for the person cancelling the contract, the actual costs, including attorneys' fees incurred in the cancellation. If payment is made by other than cash or certified check, the order postponing the sale or termination is not final until after the check or other negotiable instrument has been paid.

Sec. 8. [583.05] [COURT MAY ORDER DELAY IN SALE; FINDINGS.]

The court may order a delay in the sale or contract termination as provided in sections 4 to 15 only if it finds:

(1) that the petitioner is unemployed, underemployed or facing economic problems due to low farm commodity prices;

(2) that the petitioner has an inability to make payments on the mortgage or contract for deed;

(3) that there is a reasonable probability the petitioner will be able to reinstate the mortgage or contract for deed; and

(4) if the petitioner is a farmer, that there is a reasonable probability the petitioner will be able to obtain any additional short term financing necessary to allow viable ongoing farming operations.

If the court grants or denies a delay in the sale, the mortgagee shall publish notice of the new sale date as provided in section 580.03.

Sec. 9. [583.06] [COMPROMISES.]

If the parties to a foreclosure action agree in writing to a compromise settlement thereof, or of composition of the mortgage indebtedness, or both, the court shall have jurisdiction and may by its order confirm and approve the settlement or composition, or both, as the case may be.

Sec. 10. [583.07] [REDUCTION OF REDEMPTION PERIOD.]

If the court grants a delay in the foreclosure sale pursuant to sections 4 to 15, the redemption period pursuant to section 580.23 shall be reduced by an equivalent period of time provided, that in no event shall the redemption period be less than 30 days. If the court does not grant a delay in the foreclosure sale, the redemption period shall be as provided in section 580.23.

Sec. 11. [583.08] [PARTIAL PAYMENT.]

The petition must also request the court to determine the reasonable value of the income on the property, or, if the property has no income, then the reasonable rental value of the property subject to the contract for deed or mortgage and must direct the contract vendee or mortgagor to pay all or a reasonable part of the income or rental value for the payment of taxes, insurance, interest or principal at the times and in the manner determined by the court. The court shall hear the petition and after the hearing shall make and file its order directing the payment by the contract vendee or mortgagor of an amount at the times and in the manner that the court determines just and equitable. In the case of contracts for deed, the court shall insure that the payment required by the contract vendee is sufficient to adequately maintain the vendor's standard of living. If the mortgagor or contract vendee defaults in the payments ordered, the mortgagee may immediately commence foreclosure proceedings as provided in section 580.03, and the contract vendor may terminate the contract 30 days after the default. If default is claimed because of waste, the mortgagee or contract vendor may commence foreclosure proceedings or terminate the contract immediately after the filing of an order of the court finding the waste. No action shall be maintained for a deficiency judgment until the period of redemption as allowed by section 580.23, or by sections 4 to 15, has expired.

Sec. 12. [583.09] [COURT MAY REVISE AND ALTER TERMS.]

Upon the application of either party before the expiration of the extended period prior to the sale or contract termination and upon the presentation of evidence that the terms for partial payment fixed by the court are no longer just and reasonable, the court may revise and alter the terms, in the manner the changed circumstances and conditions require.

Sec. 13. [583.10] [HEARING TO BE HELD WITHIN 30 DAYS.]

The hearing on the petition must be held within 30 days after the filing of the petition. The order therein must be made and filed within five days after the hearing. Review by the supreme court may be had by certiorari, if application for the writ is made within 15 days after notice of the order. The writ is returnable within 30 days after the filing of the order.

Sec. 14. [583.11] [LIMITATIONS.]

No postponement or extension shall be ordered under conditions which would substantially diminish or impair the value of the contract or obligation of the person against whom the relief is sought without reasonable allowance to justify the exercise of the police power authorized in sections 4 to 15, or which would cause irreparable harm or undue hardship to any mortgagee, con-

tract vendor, judgment creditor, or their successors or assigns. The remedy authorized by sections 4 to 15 shall be available to a mortgagor or contract vendee only one time on any piece of property.

Sec. 15. [583.12] [INCONSISTENT LAWS SUSPENDED.]

Every law, to the extent that it is inconsistent with sections 4 to 15 is suspended during the effective period of sections 4 to 15.

Sec. 16. [REPEALER.]

Sections 1 to 15 are repealed effective July 1, 1984.

Sec. 17. [EFFECTIVE DATE.]

Sections 1 to 15 are effective the day following final enactment. Section 16 is effective July 1, 1984."

Amend the title as follows:

Page 1, line 3, delete "farm"

Page 1, line 4, delete "farm"

Page 1, line 5, after "and" insert "eight weeks"

Page 1, delete line 7, and insert "court may order a delay in a foreclosure sale or contract termination under certain circumstances"

Page 1, delete lines 8 to 16

Page 1, line 17, delete everything before the semicolon

Page 1, line 19, delete "subdivision 8" and insert "by adding a subdivision"

Page 1, line 19, delete "550.18;"

Page 1, line 20, delete "subdivisions 1, 1a, and 2" and insert "by adding a subdivision"

Page 1, line 20, delete "580.09; 580.23,"

Page 1, line 21, delete "subdivision 1; 580.30; and 581.10;"

Page 1, line 22, after "coded" insert "in Minnesota Statutes, chapter 550; proposing new law coded"

On the motion of Eken the report of the Committee of the Whole was adopted.

ROLL CALLS IN COMMITTEE OF THE WHOLE

Pursuant to rule 1.6, the following roll calls were taken in the Committee of the Whole:

Bergstrom moved to amend H. F. No. 102, the first engrossment, as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1982, section 47.20, is amended by adding a subdivision to read:

Subd. 15. Notwithstanding the provisions of any other law to the contrary, any notice of default on homestead property as defined in section 5, mailed after the effective date of this section and prior to May 1, 1984, shall indicate that the borrower has 60 days from the date the notice is mailed in which to cure the default.

Sec. 2. [550.181] [TEMPORARY MINIMUM NOTICE.]

Notwithstanding the provisions of any other law to the contrary, the sale on execution or on judgment of homestead property as defined in section 5, after the effective date of this section and prior to May 1, 1984, may be held only after posted and published notice for eight weeks of the time and place of the sale, describing the property with sufficient certainty to enable a person of common understanding to identify it.

Sec. 3. Minnesota Statutes 1982, section 559.21, is amended by adding a subdivision to read:

Subd. 6. [TEMPORARY MINIMUM NOTICE.] Notwithstanding the provisions of any other law to the contrary, no contract for conveyance of homestead property, as defined in section 5, shall terminate until 60 days after service of notice if the notice is served after the effective date of this section and prior to May 1, 1984 or 90 days after service of notice if the contract was entered into after May 1, 1980 and the contract vendee has paid 25 percent or more of the purchase price. The notice shall specify this 60 or 90 day period.

Sec. 4. [583.01] [LEGISLATIVE FINDINGS.]

The legislature finds that the number of unemployed persons in this state has reached the highest level since the Depression of the 1930's; that farm commodity prices are below the break

even point for the cost of production; that the number of mortgage loans currently in default due to the unemployment of the principal wage earner has reached critical levels; and that by reason of these conditions and the high rates of interest on mortgage loans, many of the citizens of this state will be unable for extended periods of time, to meet payments of taxes, interest, and principal of mortgages on their properties and are, therefore, threatened with loss of their real property through mortgage foreclosure, contract termination, and judicial sales. The legislature further finds that these conditions have resulted in an emergency of a nature that justifies and validates legislation for the extension of the time prior to foreclosure and execution sales and for other relief.

Sec. 5. [583.02] [DEFINITIONS.]

As used in sections 4 to 15, the term "homestead" means residential or agricultural real estate, a portion or all of which is entitled to receive homestead credit under section 273.13, subdivision 15a.

Sec. 6. [583.03] [APPLICATION.]

Subdivision 1. [PROPERTY COVERED.] The provisions of sections 1 to 15 apply to first mortgages secured by and contracts for deed conveying, homesteads within the meaning of section 5, including: (a) mortgages held by the United States or by any agency, department, bureau, or instrumentality of the United States, as security or pledge of the mortgagor, its successors or assigns; and (b) mortgages held as security or pledge to secure payment of a public debt or to secure payment of the deposit of public funds.

Subd. 2. [GENERAL EXCLUSION.] The provisions of sections 1 to 15 do not apply to mortgages or contracts for deed made after the effective date of sections 1 to 15, nor to mortgages or contracts for deed made before the effective date of sections 1 to 15, which are renewed or extended after the effective date of sections 1 to 15 for a period longer than one year, nor to mortgages, judgments, or contracts for deed, regardless of when made, if a second or subsequent mortgage is made against the property after the effective date of sections 1 to 15. No court shall allow a stay, postponement, or extension of time that would cause any right to be lost or adversely affected by any statute of limitation.

Sec. 7. [583.04] [MORTGAGOR MAY APPLY TO DISTRICT COURT FOR RELIEF.]

Any mortgagor, or owner in possession of the mortgaged premises, or anyone claiming under the mortgage, or anyone liable for the mortgage debt, may at any time after the issuance of the notice of the foreclosure proceedings and prior to the sale,

petition the district court of the county where the foreclosure proceedings are pending, serving a summons and verified complaint requesting that the sale in foreclosure be postponed for up to six months or, in the case of a farm homestead located on more than ten acres, for up to 12 months. A contract for deed vendee or anyone claiming under the contract or liable for the contract payment, in any case where the contract has not yet been terminated as of the effective date of sections 4 to 15, may petition the district court in the same manner, requesting that the contract termination be delayed for up to 90 days. Upon receiving the petition, the court shall order a stay in the foreclosure proceedings until after the hearing on the petition. As a condition precedent to the postponement of the foreclosure sale, the party serving the verified complaint shall file it and pay to the clerk for the person foreclosing the mortgage the actual costs incurred, including attorney's fees, in the foreclosure proceeding before postponement. As a condition precedent to delay of the contract termination, the party seeking relief shall file the verified complaint and pay to the clerk for the person cancelling the contract, the actual costs, including attorneys' fees incurred in the cancellation. If payment is made by other than cash or certified check, the order postponing the sale or termination is not final until after the check or other negotiable instrument has been paid.

Sec. 8. [583.05] [COURT MAY ORDER DELAY IN SALE; FINDINGS.]

The court may order a delay in the sale or contract termination as provided in sections 4 to 15 only if it finds:

(1) that the petitioner is unemployed, underemployed or facing economic problems due to low farm commodity prices;

(2) that the petitioner has an inability to make payments on the mortgage or contract for deed;

(3) that there is a reasonable probability the petitioner will be able to reinstate the mortgage or contract for deed; and

(4) if the petitioner is a farmer, that there is a reasonable probability the petitioner will be able to obtain any additional short term financing necessary to allow viable ongoing farming operations.

If the court grants or denies a delay in the sale, the mortgagee shall publish notice of the new sale date as provided in section 580.03.

Sec. 9. [583.06] [COMPROMISES.]

If the parties to a foreclosure action agree in writing to a compromise settlement thereof, or of composition of the mortgage indebtedness, or both, the court shall have jurisdiction and may by its order confirm and approve the settlement or composition, or both, as the case may be.

Sec. 10. [583.07] [REDUCTION OF REDEMPTION PERIOD.]

If the court grants a delay in the foreclosure sale pursuant to sections 4 to 15, the redemption period pursuant to section 580.23 shall be reduced by an equivalent period of time provided, that in no event shall the redemption period be less than 30 days. If the court does not grant a delay in the foreclosure sale, the redemption period shall be as provided in section 580.23.

Sec. 11. [583.08] [PARTIAL PAYMENT.]

The petition must also request the court to determine the reasonable value of the income on the property, or, if the property has no income, then the reasonable rental value of the property subject to the contract for deed or mortgage and must direct the contract vendee or mortgagor to pay all or a reasonable part of the income or rental value for the payment of taxes, insurance, interest or principal at the times and in the manner determined by the court. The court shall hear the petition and after the hearing shall make and file its order directing the payment by the contract vendee or mortgagor of an amount at the times and in the manner that the court determines just and equitable. In the case of contracts for deed, the court shall insure that the payment required by the contract vendee is sufficient to adequately maintain the vendor's standard of living. If the mortgagor or contract vendee defaults in the payments ordered, the mortgagee may immediately commence foreclosure proceedings as provided in section 580.03, and the contract vendor may terminate the contract 30 days after the default. If default is claimed because of waste, the mortgagee or contract vendor may commence foreclosure proceedings or terminate the contract immediately after the filing of an order of the court finding the waste. No action shall be maintained for a deficiency judgment until the period of redemption as allowed by section 580.23, or by sections 4 to 15, has expired.

Sec. 12. [583.09] [COURT MAY REVISE AND ALTER TERMS.]

Upon the application of either party before the expiration of the extended period prior to the sale or contract termination and upon the presentation of evidence that the terms for partial payment fixed by the court are no longer just and reasonable, the

court may revise and alter the terms, in the manner the changed circumstances and conditions require.

Sec. 13. [583.10] [HEARING TO BE HELD WITHIN 30 DAYS.]

The hearing on the petition must be held within 30 days after the filing of the petition. The order therein must be made and filed within five days after the hearing. Review by the supreme court may be had by certiorari, if application for the writ is made within 15 days after notice of the order. The writ is returnable within 30 days after the filing of the order.

Sec. 14. [583.11] [LIMITATIONS.]

No postponement or extension shall be ordered under conditions which would substantially diminish or impair the value of the contract or obligation of the person against whom the relief is sought without reasonable allowance to justify the exercise of the police power authorized in sections 4 to 15, or which would cause irreparable harm or undue hardship to any mortgagee, contract vendor, judgment creditor, or their successors or assigns. The remedy authorized by sections 4 to 15 shall be available to a mortgagor or contract vendee only one time on any piece of property.

Sec. 15. [583.12] [INCONSISTENT LAWS SUSPENDED.]

Every law, to the extent that it is inconsistent with sections 4 to 15 is suspended during the effective period of sections 4 to 15.

Sec. 16. [REPEALER.]

Sections 1 to 15 are repealed effective July 1, 1984.

Sec. 17. [EFFECTIVE DATE.]

Sections 1 to 15 are effective the day following final enactment. Section 16 is effective July 1, 1984."

Amend the title as follows:

Page 1, line 3, delete "farm"

Page 1, line 4, delete "farm"

Page 1, line 5, after "and" insert "eight weeks"

Page 1, delete line 7, and insert "court may order a delay in a foreclosure sale or contract termination under certain circumstances"

Page 1, delete lines 8 to 16

Page 1, line 17, delete everything before the semicolon

Page 1, line 19, delete "subdivision 8" and insert "by adding a subdivision"

Page 1, line 19, delete "550.18;"

Page 1, line 20, delete "subdivisions 1, 1a, and 2" and insert "by adding a subdivision"

Page 1, line 20, delete "580.09; 580.23,"

Page 1, line 21, delete "subdivision 1; 580.30; and 581.10;"

Page 1, line 22, after "coded" insert "in Minnesota Statutes, chapter 550; proposing new law coded"

The question was taken on the amendment and the roll was called. There were 90 yeas and 32 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Coleman	Kostohryz	Otis	Skoglund
Anderson, G.	Dempsey	Krueger	Peterson	Solberg
Anderson, R.	Eken	Larsen	Piper	Sparby
Battaglia	Elioff	Mann	Price	Staten
Beard	Ellingson	Marsh	Quinn	Sviggum
Begich	Findlay	McEachern	Redalen	Thiede
Bennett	Graba	Metzen	Reif	Tomlinson
Bergstrom	Greenfield	Minne	Rice	Tunheim
Berkelman	Gustafson	Munger	Riveness	Valan
Bishop	Haukoos	Murphy	Rodosovich	Vanasek
Blatz	Hoffman	Nelson, D.	Rodriguez, C.	Vellenga
Brandl	Jacobs	Nelson, K.	Rodriguez, F.	Voss
Carlson, D.	Jensen	Neuenschwander	St. Onge	Waltman
Carlson, L.	Kahn	Norton	Sarna	Welch
Clark, J.	Kalis	O'Connor	Seaberg	Welle
Clark, K.	Kelly	Ogren	Segal	Wenzel
Clawson	Knickerbocker	Omman	Shea	Wynia
Cohen	Knuth	Onnen	Simoneau	Speaker Sieben

Those who voted in the negative were:

Brinkman	Forsythe	Himle	Osthoff	Schreiber
Burger	Frerichs	Hokr	Pauly	Stadum
DenOuden	Gruenes	Jennings	Piepho	Welker
Dimler	Gutknecht	Kvam	Quist	Wigley
Erickson	Halberg	Ludeman	Rose	
Evans	Heap	McDonald	Schafer	
Fjoslien	Heinitz	Olsen	Scheid	

The motion prevailed and the amendment was adopted.

The question was taken on the motion to recommend passage of H. F. No. 102, as amended, and the roll was called. There were 91 yeas and 33 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Coleman	Long	Price	Staten
Anderson, G.	Dempsey	Mann	Quinn	Thiede
Anderson, R.	Eken	Marsh	Redalen	Tomlinson
Battaglia	Elioff	McEachern	Reif	Tunheim
Beard	Ellingson	Metzen	Rice	Valan
Begich	Frerichs	Minne	Riveness	Valento
Bennett	Graba	Munger	Rodosovich	Vanasek
Bergstrom	Greenfield	Murphy	Rodriguez, C.	Vellenga
Berkelman	Gustafson	Nelson, D.	Rodriguez, F.	Voss
Bishop	Hoffman	Nelson, K.	St. Onge	Waltman
Blatz	Jacobs	Neuenschwander	Sarna	Welch
Brandl	Jensen	Norton	Schoenfeld	Welle
Brinkman	Kahn	O'Connor	Seaberg	Wenzel
Carlson, D.	Kalis	Ogren	Segal	Wynia
Carlson, L.	Kelly	Olsen	Shea	Speaker Sieben
Clark, J.	Knuth	Omman	Simoneau	
Clark, K.	Kostohryz	Otis	Skoglund	
Clawson	Krueger	Peterson	Solberg	
Cohen	Larsen	Piper	Sparby	

Those who voted in the negative were:

Burger	Forsythe	Jennings	Piepho	Stadum
DenOuden	Gruenes	Knickerbocker	Quist	Swiggum
Dimler	Gutknecht	Kvam	Rose	Uphus
Erickson	Halberg	Ludeman	Schafer	Welker
Evans	Heap	McDonald	Scheid	Wigley
Findlay	Heinitz	Osthoff	Schreiber	
Fjoslien	Himle	Pauly	Shaver	

The motion prevailed.

MOTIONS AND RESOLUTIONS

Sarna moved that S. F. No. 391 be recalled from the Committee on Commerce and Economic Development and be re-referred to the Committee on Appropriations. The motion prevailed.

Quist moved that S. F. No. 1105 be recalled from the Committee on Governmental Operations and together with H. F. No. 1151, now on the Technical Consent Calendar, be referred to the Chief Clerk for comparison. The motion prevailed.

Wynia moved that the name of Jennings be stricken and the name of Zaffke be added as an author on H. F. No. 482. The motion prevailed.

Wenzel moved that the name of Sparby be added as an author on H. F. No. 950. The motion prevailed.

Zaffke moved that his name be stricken as an author on H. F. No. 1190. The motion prevailed.

Levi moved that H. F. No. 890 be returned to its author. The motion prevailed.

ANNOUNCEMENTS BY THE SPEAKER

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 238:

Munger; Nelson, D., and Carlson, D.

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 280:

Quinn, Kelly, Dempsey, Welle and Waltman.

ADJOURNMENT

Eken moved that when the House adjourns today it adjourn until 2:00 p.m., Monday, May 2, 1983. The motion prevailed.

Eken moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 2:00 p.m., Monday, May 2, 1983.

EDWARD A. BURDICK, Chief Clerk, House of Representatives

STATE OF MINNESOTA

SEVENTY-THIRD SESSION - 1983

FORTY-THIRD DAY

SAINT PAUL, MINNESOTA, FRIDAY, APRIL 29, 1983

The Senate met on Friday, April 29, 1983, which was the Forty-third Legislative Day of the Seventy-third Session of the Minnesota State Legislature. The House of Representatives did not meet on this date.

STATE OF MINNESOTA

SEVENTY-THIRD SESSION - 1983

FORTY-FOURTH DAY

SAINT PAUL, MINNESOTA, MONDAY, MAY 2, 1983

The House of Representatives convened at 2:00 p.m. and was called to order by Harry A. Sieben, Jr., Speaker of the House.

Prayer was offered by Pastor Tomas E. Meeks, House Chaplain, Ramsey, Minnesota.

The roll was called and the following members were present:

Anderson, B.	Erickson	Knuth	Otis	Simoneau
Anderson, G.	Evans	Kostohryz	Pauly	Skoglund
Anderson, R.	Findlay	Krueger	Peterson	Solberg
Battaglia	Fjoslien	Kvam	Piepho	Sparby
Beard	Forsythe	Larsen	Piper	Stadum
Begich	Frerichs	Levi	Price	Staten
Bennett	Graba	Long	Quinn	Sviggum
Bergstrom	Greenfield	Ludeman	Quist	Swanson
Berkelman	Gruenes	Mann	Redalen	Thiede
Bishop	Gustafson	Marsh	Reif	Tomlinson
Blatz	Gutknecht	McDonald	Rice	Tunheim
Brandl	Halberg	McEachern	Riveness	Uphus
Brinkman	Haukoos	McKasy	Rodosovich	Valan
Burger	Heap	Metzen	Rodriguez, C.	Valento
Carlson, D.	Heinitz	Minne	Rodriguez, F.	Vanaasek
Carlson, L.	Himle	Munger	Rose	Vellenga
Clark, J.	Hoberg	Murphy	St. Onge	Voss
Clark, K.	Hoffman	Nelson, D.	Sarna	Waltman
Clawson	Hokr	Nelson, K.	Schafer	Welch
Cohen	Jacobs	Neuenschwander	Scheid	Welker
Coleman	Jennings	Norton	Schoenfeld	Welle
Dempsey	Jensen	O'Connor	Schreiber	Wenzel
DenOuden	Johnson	Ogren	Seaberg	Wigley
Dimler	Kahn	Olsen	Segal	Wynia
Eken	Kalis	Omann	Shaver	Zaffke
Elioff	Kelly	Onnen	Shea	Speaker Sieben
Ellingson	Knickerbocker	Osthoff	Sherman	

A quorum was present.

The Chief Clerk proceeded to read the Journals of the preceding days. Kvam moved that further reading of the Journals be dispensed with and that the Journals 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. 536, 1149, 559, 1151, 102 and 875 and S. F. Nos. 791, 996, 281, 398, 607, 302, 372, 519, 689, 72, 616, 755, 923, 927, 782, 1198, 664, 194, 218 and 1015 have been placed in the members' files.

S. F. No. 1105 and H. F. No. 1151, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Quist moved that S. F. No. 1105 be substituted for H. F. No. 1151 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 927 and H. F. No. 869, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Gustafson moved that S. F. No. 927 be substituted for H. F. No. 869 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 689 and H. F. No. 423, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Gruenes moved that S. F. No. 689 be substituted for H. F. No. 423 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 281 and H. F. No. 254, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Osthoff moved that the rules be so far suspended that S. F. No. 281 be substituted for H. F. No. 254 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 664 and H. F. No. 507, 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. 664 be substituted for H. F. No. 507 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 398 and H. F. No. 806, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Clawson moved that the rules be so far suspended that S. F. No. 398 be substituted for H. F. No. 806 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 755 and H. F. No. 1057, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Krueger moved that the rules be so far suspended that S. F. No. 755 be substituted for H. F. No. 1057 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 752 and H. F. No. 774, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Hoberg moved that the rules be so far suspended that S. F. No. 752 be substituted for H. F. No. 774 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 616 and H. F. No. 570, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Clark, K., moved that the rules be so far suspended that S. F. No. 616 be substituted for H. F. No. 570 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 791 and H. F. No. 957, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Knuth moved that the rules be so far suspended that S. F. No. 791 be substituted for H. F. No. 957 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 607 and H. F. No. 642, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Clawson moved that the rules be so far suspended that S. F. No. 607 be substituted for H. F. No. 642 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 782 and H. F. No. 926, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Coleman moved that the rules be so far suspended that S. F. No. 782 be substituted for H. F. No. 926 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 923 and H. F. No. 874, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Anderson, B., moved that the rules be so far suspended that S. F. No. 923 be substituted for H. F. No. 874 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 996 and H. F. No. 1049, 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. 996 be substituted for H. F. No. 1049 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

April 28, 1983

The Honorable Harry A. Sieben, Jr.
Speaker of the House
276 State Office Building
St. Paul, Minnesota 55155

Dear Speaker Sieben:

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

H. F. No. 413, relating to the city of Edina; allowing the city to make special assessments against certain benefited property.

H. F. No. 459, relating to labor; providing for fair labor standards; defining "employee"; reenacting Minnesota Statutes, section 177.25, subdivision 1.

H. F. No. 468, relating to education; authorizing the commissioner to approve one additional application for the part-time teaching program for fiscal year 1982 under certain conditions.

H. F. No. 552, relating to elections; recodifying the municipal elections law.

H. F. No. 597, relating to retirement; adding a correctional employees plan member to the state retirement system board; consolidating and eliminating obsolete language.

H. F. No. 909, relating to the range association of municipalities and schools; defining its permitted area.

Sincerely,

RUDY PERPICH
Governor

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

April 28, 1983

The Honorable Harry A. Sieben, Jr.
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 1983 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>Date Approved 1983</i>	<i>Date Filed 1983</i>
	413	59	April 28	April 28
	459	60	April 28	April 28
	468	61	April 28	April 28
	552	62	April 28	April 28
	597	63	April 28	April 28
	909	64	April 28	April 28

Sincerely,

JOAN ANDERSON GROWE
Secretary of State

STATE OF MINNESOTA
OFFICE OF THE GOVERNOR
SAINT PAUL 55155

April 29, 1983

The Honorable Harry A. Sieben, Jr.
Speaker of the House
276 State Office Building
St. Paul, Minnesota 55155

Dear Speaker Sieben :

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

H. F. No. 157, relating to education; authorizing allowable service years to be used for the teacher early retirement incentive program.

H. F. No. 231, relating to motor vehicles; increasing the time for the validity of temporary registration permits to 21 days.

H. F. No. 277, relating to the city of Virginia; authorizing increases in service pensions and survivor benefits for certain retired members and survivors of the Virginia firefighter's relief association.

H. F. No. 342, relating to the board of dentistry; increasing the board's powers in relation to disciplinary actions; exempting certain registered occupations from business licensing review.

H. F. No. 384, relating to retirement; local police and salaried firefighters relief associations; requiring annual valuations; deleting requirement of quadrennial experience studies; removing obsolete language.

H. F. No. 430, relating to retirement; authorizing the purchase of annuity contracts for retiring Tracy firefighters.

H. F. No. 601, relating to retirement; miscellaneous amendments to the law governing the public employees retirement association.

H. F. No. 638, relating to retirement; authorizing increases in survivor benefits payable by the Hibbing police relief association.

H. F. No. 1079, relating to social and charitable organizations; including planning and developing costs as fundraising costs.

Sincerely,

RUDY PERPICH
Governor

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

April 29, 1983

The Honorable Harry A. Sieben, Jr.
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 1983 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>Date Approved 1983</i>	<i>Date Filed 1983</i>
47		65	April 29	April 29
402		66	April 29	April 29

S.F. No.	H.F. No.	Session Laws Chapter No.	Date Approved 1983	Date Filed 1983
	157	67	April 29	April 29
	231	68	April 29	April 29
	277	69	April 29	April 29
	342	70	April 29	April 29
	384	71	April 29	April 29
	430	72	April 29	April 29
	601	73	April 29	April 29
	638	74	April 29	April 29
	1079	75	April 29	April 29

Sincerely,

JOAN ANDERSON GROWE
Secretary of State

REPORTS OF STANDING COMMITTEES

Jacobs from the Committee on Regulated Industries to which was referred:

H. F. No. 1224, A bill for an act relating to occupations and professions; regulating the period of time between professional boxing contests, matches, or exhibitions; amending Minnesota Statutes 1982, section 341.115.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [341.045] [DEFINITION.]

For the purposes of this chapter, the terms "boxing and sparring" shall include full contact karate and kick boxing.

Sec. 2. Minnesota Statutes 1982, section 341.115, is amended to read:

341.115 [PROFESSIONAL BOXING.]

Any contest, match or exhibition in which cash prizes of \$5 or more or other prizes worth \$100 or more are offered to any boxer shall comply with all rules of the board of boxing governing professional boxing. For purposes of this section, trophies, travel expenses and subsistence expenses shall not be considered prizes. No boxer participating in these contests, matches, or exhibitions shall engage in (CONSECUTIVE CONTESTS WITH LESS THAN A SEVEN) *more than 15 rounds of boxing in a 14-day (INTERVAL) period. If the boxer loses due to a technical knockout or is knocked unconscious, he cannot fight for a 30-day period.* No boxer shall participate in these contests, matches, or exhibitions unless the boxer has submitted an affidavit of physical fitness, *subscribed and sworn to under oath,* to the board and has been examined by a physician designated by the board. The (AFFIDAVIT SHALL STATE: (A) THAT THE BOXER HAS PREVIOUSLY PARTICIPATED IN TEN AMATEUR OR PROFESSIONAL MATCHES SANCTIONED BY THE BOARD OF BOXING OR SANCTIONED BY A BOARD WHICH REGULATES BOXING IN ANOTHER JURISDICTION; OR (B) THAT THE BOXER HAS REGULARLY TRAINED FOR AT LEAST 90 DAYS UNDER THE SUPERVISION OF A SECOND LICENSED BY THE BOARD OF BOXING, OR A SECOND OR TRAINER OR THE EQUIVALENT LICENSED IN ANOTHER JURISDICTION. THE EXAMINATION SHALL INCLUDE, BUT NOT BE LIMITED TO, AN ELECTROENCEPHALOGRAM, UNLESS THE BOXER HAS SUBMITTED TO THE EXAMINING PHYSICIAN (A) THE RESULTS OF AN ELECTROENCEPHALOGRAM ADMINISTERED WITHIN ONE YEAR OF THE CONTEST, MATCH OR EXHIBITION; AND (B) AN AFFIDAVIT STATING THAT THE BOXER HAS NOT BEEN KNOCKED UNCONSCIOUS IN BOXING COMPETITION SINCE THE LAST ELECTROENCEPHALOGRAM WAS ADMINISTERED.) *affidavit must state that the boxer has regularly trained for at least 30 days under the supervision of a second licensed by the board of boxing or a second or trainer licensed in another jurisdiction or the equivalent. The examination must include an electroencephalogram if the boxer has been knocked unconscious in boxing competition. The examination shall be performed at the expense of the promoter."*

Delete the title and insert:

"A bill for an act relating to occupations and professions; regulating the period of time between professional boxing contests, matches, or exhibitions; amending Minnesota Statutes 1982, section 341.115; proposing new law coded in Minnesota Statutes, chapter 341."

With the recommendation that when so amended the bill pass.

The report was adopted.

Jacobs from the Committee on Regulated Industries to which was referred:

S. F. No. 201, A bill for an act relating to intoxicating liquor; authorizing off-sale licensees to dispense samples of wine, liqueurs and cordials; amending Minnesota Statutes 1982, section 340.11, subdivision 15.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1982, section 340.034, subdivision 1, is amended to read:

Subdivision 1. No sale of non-intoxicating malt liquor shall be made between the hours of one a.m. and eight a.m. on any weekday Monday through Saturday inclusive. Neither shall any sale of such liquor be made on any Sunday between the hours of one a.m. and twelve (O'CLOCK) noon (, NOR BETWEEN THE HOURS OF ONE A.M. AND EIGHT O'CLOCK P.M. ON THE DAY OF ANY STATEWIDE ELECTION).

Sec. 2. Minnesota Statutes 1982, section 340.11, subdivision 11, is amended to read:

Subd. 11. [ON-SALE LICENSES, INCLUDING HOTELS, CLUBS, RESTAURANTS, AND ON-SALE EXCLUSIVE LIQUOR STORES.] "On-sale" licenses may be issued by municipalities for the sale of intoxicating liquors in hotels, clubs, restaurants and establishments for the sale of "on-sale" liquors exclusively within the number authorized by this section. In addition to the number of licenses authorized by this section, an "on-sale" license may be issued, if approved by the commissioner of public safety, to a bona fide club (WHICH HAS BEEN IN EXISTENCE FOR 15 YEARS OR MORE) or (TO A) congressionally chartered veterans' organization which has been in existence for (FIVE) *at least three* years. The club or veterans' organization must be incorporated in order to be eligible to apply for a license, and the license issued must be for the sale of intoxicating liquors to members and bona fide guests only. The license fee for an "on-sale" license issued by a municipality pursuant to this subdivision shall be in an amount determined by the governing body thereof subject to the following limitations: up to \$300 for a veterans organization or fraternal club with a membership of 200 or less; up to \$500 for a veterans organization or fraternal club with a membership of between 201 and 500; up to \$650 for a veterans organization or fraternal club with a membership of between 501 and 1,000; up to \$800 for a veterans organization or fraternal club with a membership of between 1,001 and 2,000; up to \$1,000 for a veterans organization or fraternal club with a membership between 2,000 and 4,000; up to \$2,000 for a veterans organization or fraternal club with a membership

of between 4,001 and 6,000; and up to \$3,000 for a veterans organization or fraternal club with a membership of more than 6,000. For purposes of the maximum license fee which may be imposed by a municipality pursuant to this subdivision, "fraternal club" means a club which serves only members and their guests and which uses any profits derived from these sales principally for sponsoring activities beneficial to the community and not for the benefit of any individual. Except in cities of the first, second, and third class, a license may be issued jointly to congressionally chartered veterans' organizations that otherwise qualify under this subdivision.

Sec. 3. Minnesota Statutes 1982, section 340.11, subdivision 15, is amended to read:

Subd. 15. [LICENSES NOT REQUIRED.] It is lawful for a brewer to sell intoxicating malt beverages to his employee or to a former employee who is retired because of age or physical disability. Such beverages shall be sold for consumption off the premises only, and the amount sold to any one person in any one week shall not exceed 768 fluid ounces. The requirements of law relating to minimum prices for the sale of intoxicating malt beverages shall not apply to sales made under this subdivision, nor shall any license be required for the making of such sales. It is also lawful for a collector of commemorative bottles, as these terms are defined in section 340.44, to sell commemorative bottles to another collector without obtaining a license. *It is also lawful for an off-sale licensee or municipal liquor store to provide samples of wine, liqueurs, and cordials which the licensee or municipal liquor store currently has in stock and is offering for sale to the general public without obtaining an additional license, provided the wine, liqueur, and cordial samples are dispensed at no charge and consumed on the licensed premises during the permitted hours of off-sale in a quantity less than 50 milliliters of wine per variety per customer and 25 milliliters of liqueur or cordial per variety per customer.*

Sec. 4. Minnesota Statutes 1982, section 340.14, subdivision 1, is amended to read:

Subdivision 1. [HOURS AND DAYS OF SALE.] No sale of intoxicating liquor shall be made after one a.m. on Sunday, nor until eight a.m. on Monday (, NOR BETWEEN THE HOURS OF ONE A.M. AND EIGHT O'CLOCK P.M. ON THE DAY OF ANY STATEWIDE ELECTION). No "on-sale" shall be made between the hours of one a.m. and eight o'clock a.m. on any weekday. No "off-sale" shall be made before eight o'clock a.m. or after ten o'clock p.m. of any day. However, in cities of the first class, and in all cities located within a radius of 15 miles of a city of the first class within the same county, "off-sale" may be made only until eight o'clock p.m. of any day except Friday and Saturday, on which days "off-sale" may be made until ten o'clock p.m. No "off-sale" shall be made on New Years Day,

January 1; Independence Day, July 4; Thanksgiving Day; or Christmas Day, December 25; but on the evenings preceding such days, if the sale of liquor is not otherwise prohibited on such evenings, "off-sales" may be made until ten o'clock p.m., except that no "off-sale" shall be made on December 24 after eight o'clock p.m. It shall be beyond the power of any municipality of this state to authorize or permit the sale of intoxicating liquors when such sale is prohibited by this section, however, any municipality may further limit the hours of sale of intoxicating liquors, provided that such further restricted hours for "on-sale" shall apply to both intoxicating liquors and non-intoxicating malt liquors.

Sec. 5. Minnesota Statutes 1982, section 340.15, subdivision 1, is amended to read:

Subdivision 1. The unrestricted advertising of intoxicating liquor is hereby declared to be contrary to public policy. *This section does not prohibit an off-sale licensee from advertising intoxicating liquor prices in a newspaper published in a bordering state in which off-sale retail intoxicating liquor licenses are issued and in which the state tax on distilled spirits is at least \$1.75 less than the tax imposed on distilled spirits under section 340.47.* Reasonable rules and regulations restricting advertising to prevent it from counteracting temperance education shall be made by the commissioner of public safety.

Sec. 6. [EFFECTIVE DATE.]

This act is effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to liquor; authorizing election day sales; reducing the period of existence required for a club license; authorizing off-sale licenses to dispense certain samples and advertise in bordering state newspapers in certain instances; amending Minnesota Statutes 1982, sections 340.034, subdivision 1; 340.11, subdivisions 11 and 15; 340.14, subdivision 1; and 340.15, subdivision 1."

With the recommendation that when so amended the bill pass.

The report was adopted.

Kostohryz from the Committee on General Legislation and Veterans Affairs reported on the following appointment which had been referred to the Committee by the Speaker:

ETHICAL PRACTICES BOARD

William W. McCutcheon

Reported the same back with the recommendation that the appointment be confirmed.

Kostohryz moved that the report of the Committee on General Legislation and Veterans Affairs relating to the appointment of William W. McCutcheon to the Ethical Practices Board be adopted. The motion prevailed and the report was adopted.

CONFIRMATION

Kostohryz moved that the House, having advised, do now consent to and confirm the appointment of William W. McCutcheon, 2238 Edgebrook Street, St. Paul, Ramsey County, effective May 18, 1982, for a term expiring the first Monday in January, 1986. The motion prevailed and the appointment of William W. McCutcheon was confirmed by the House.

Kostohryz from the Committee on General Legislation and Veterans Affairs reported on the following appointment which had been referred to the Committee by the Speaker:

ETHICAL PRACTICES BOARD

Myra S. Greenberg

Reported the same back with the recommendation that the appointment be confirmed.

Kostohryz moved that the report of the Committee on General Legislation and Veterans Affairs relating to the appointment of Myra S. Greenberg to the Ethical Practices Board be adopted. The motion prevailed and the report was adopted.

CONFIRMATION

Kostohryz moved that the House, having advised, do now consent to and confirm the appointment of Myra S. Greenberg, 756 Pontiac Place, St. Paul, Dakota County, effective April 25, 1982, for a term expiring on the first Monday in January, 1985. The motion prevailed and the appointment of Myra S. Greenberg was confirmed by the House.

Kostohryz from the Committee on General Legislation and Veterans Affairs reported on the following appointment which had been referred to the Committee by the Speaker:

ETHICAL PRACTICES BOARD

Leonard C. Myrah

Reported the same back with the recommendation that the appointment be confirmed.

Kostohryz moved that the report of the Committee on General Legislation and Veterans Affairs relating to the appointment of Leonard C. Myrah to the Ethical Practices Board be adopted. The motion prevailed and the report was adopted.

CONFIRMATION

Kostohryz moved that the House, having advised, do now consent to and confirm the appointment of Leonard C. Myrah, Route 2, Spring Grove, Houston County, effective July 6, 1982, for a term expiring the first Monday in January, 1984. The motion prevailed and the appointment of Leonard C. Myrah was confirmed by the House.

REPORT FROM THE COMMITTEE ON RULES AND
LEGISLATIVE ADMINISTRATION

Eken, from the Committee on Rules and Legislative Administration, pursuant to Rule 1.9, designated the following bills as Special Orders to be acted upon immediately preceding General Orders for today, May 2, 1983, the Forty-Fourth Legislative Day:

H. F. Nos. 89, 520 and 643; S. F. No. 721; H. F. No. 806; S. F. No. 705; H. F. Nos. 869, 977, 995 and 996; S. F. No. 44; H. F. Nos. 244, 294, 360, 423, 431, 500, 538, 544, 566, 585, 623, 636, 763, 818 and 829; S. F. Nos. 900 and 843; H. F. Nos. 901, 906, 916, 928, 933, 934, 950 and 973; S. F. No. 568; H. F. Nos. 1032, 1057, 1067 and 1090; S. F. Nos. 639 and 948; H. F. No. 45; S. F. No. 292; H. F. Nos. 435, 495, 532 and 547; S. F. No. 160; H. F. Nos. 774, 782, 795, 802, 813, 814, 855, 874, 886, 894, 898, 899 and 918; S. F. No. 855; H. F. No. 1011; S. F. No. 1009; H. F. Nos. 1029, 1046, 1105 and 1172; S. F. Nos. 161, 337 and 338; H. F. Nos. 655, 658 and 722; S. F. No. 891; H. F. No. 854; S. F. Nos. 699, 271 and 278; H. F. Nos. 253 and 570; S. F. No. 856; H. F. No. 957; S. F. Nos. 964, 427, 466, 529, 597 and 857; H. F. Nos. 111, 594 and 642; S. F. No. 462; H. F. Nos. 748, 847 and 926; S. F. No. 889; H. F. Nos. 1049 and 1065; S. F. Nos. 1012, 87, 455, 684, 767 and 844; H. F. Nos. 474, 109 and 422; S. F. No. 545; H. F. Nos. 790 and 929; S. F. No. 954; H. F. No. 1236; S. F. Nos. 159, 541, 554, 627, 679 and 723; H. F. Nos. 536, 559, 875 and 1149; S. F. Nos. 194, 218 and 1015.

Jennings moved pursuant to rule 1.14 that the report from the Committee on Rules and Legislative Administration be laid over one day.

A roll call was requested and properly seconded.

The Speaker ruled the motion out of order.

SECOND READING OF HOUSE BILLS

H. F. No. 1224 was read for the second time.

SECOND READING OF SENATE BILLS

S. F. Nos. 1105, 927, 689, 281, 664, 398, 755, 752, 616, 791, 607, 782, 923, 996 and 201 were read for the second time.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House Files were introduced:

Wigley, Munger, Johnson, Mann and Jennings introduced:

H. F. No. 1270, A bill for an act relating to taxation; extending Class 3 property to certain property owned by certain fraternal beneficiary societies or associations for community service; amending Minnesota Statutes 1982, section 273.13, subdivision 4.

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

Shea introduced:

H. F. No. 1271, A bill for an act relating to agriculture; removing the sunset date on the grain buyer's act; amending Laws 1982, chapter 635, section 9.

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

Marsh; Rodriguez, C.; Levi; McEachern and Anderson, B., introduced:

H. F. No. 1272, A bill for an act relating to education; changing the secondary vocational education categorical aid program to a general aid program; amending Minnesota Statutes 1982, section 124.155, subdivision 2; proposing new law coded in Minnesota Statutes, chapter 124; and repealing Minnesota Statutes 1982, sections 124.573 and 124.574.

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

Rodriguez, F.; Sarna; Piper and Rodosovich introduced:

H. F. No. 1273, A bill for an act relating to retirement; salaried firefighters relief associations; providing vesting upon layoff in certain instances; proposing new law coded in Minnesota Statutes, chapter 423A.

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

Staten, Greenfield, Piper and Vellenga introduced:

H. F. No. 1274, A bill for an act relating to tenants; providing protected status to certain senior citizens and disabled tenants when a building is converted to a condominium; proposing new law coded as Minnesota Statutes, chapter 515B.

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

Kelly, Sieben and Eken introduced:

H. F. No. 1275, A bill for an act relating to taxation; providing a property tax exemption for satellite broadcasting facilities; providing an income tax exemption for certain income earned and a credit for certain payments made by a corporation providing satellite broadcasting services; providing a sales tax exemption for materials used in constructing a satellite broadcasting facility; amending Minnesota Statutes 1982, sections 272.02, subdivision 1; 290.08, by adding a subdivision; 290.21, by adding a subdivision; proposing new law coded in Minnesota Statutes, chapter 297A.

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

HOUSE ADVISORIES

The following House Advisories were introduced:

Heap, Sarna, Staten and Metzen introduced:

H. A. No. 17, A proposal for the House Committee on Commerce and Economic Development to study job creation.

The advisory was referred to the Committee on Commerce and Economic Development.

Minne and Osthoff introduced:

H. A. No. 18, A proposal to study candidate residency requirements.

The advisory was referred to the Committee on General Legislation and Veterans Affairs.

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. 230, A bill for an act relating to insurance; prohibiting sex discrimination under Minnesota comprehensive health insurance plan; amending Minnesota Statutes 1982, section 62E.08, subdivision 1.

H. F. No. 602, A bill for an act relating to commerce; providing for a nonpossessory mechanics' lien under certain circumstances; proposing new law coded in Minnesota Statutes, chapter 514.

H. F. No. 684, A bill for an act relating to administrative procedures; exempting certain rules from the requirement of approval by the revisor of statutes and related procedures; amending Minnesota Statutes 1982, section 14.38, subdivision 6.

H. F. No. 954, A bill for an act relating to the Minneapolis park and recreation board; providing for the appointment of various employees; amending Laws 1969, chapter 1024, sections 1 and 2.

H. F. No. 1062, A bill for an act relating to port authorities; providing for the term of service of certain members of port au-

thorities; amending Minnesota Statutes 1982, section 458.10, subdivision 2.

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. 598, A bill for an act relating to public welfare; clarifying responsibility for payment for temporary confinement in state hospitals; amending Minnesota Statutes 1982, section 253B.11, subdivision 2.

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. 90, A bill for an act relating to highway traffic regulations; prescribing penalties for failure to place children under the age of four years in child passenger restraint systems when being transported on streets and highways; amending Minnesota Statutes 1982, section 169.685, subdivision 5.

PATRICK E. FLAHAVEN, Secretary of the Senate

Skoglund moved that the House refuse to concur in the Senate amendments to H. F. No. 90, 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. 365, A bill for an act relating to health care facilities; clarifying the rights and responsibilities of patients and residents; amending Minnesota Statutes 1982, sections 144.651; and 144.652.

PATRICK E. FLAHAVEN, Secretary of the Senate

Clark, K., moved that the House refuse to concur in the Senate amendments to H. F. No. 365, 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. 830, A bill for an act relating to manufactured homes; clarifying the prohibition of net listing agreements; adding an appeals provision; correcting cross-references; amending Minnesota Statutes 1982, sections 327B.01, subdivisions 11 and 14; 327B.04, subdivision 4; 327B.05, subdivisions 1 and 2, and by adding a subdivision; 327B.07, subdivision 1; and 327B.09, subdivisions 1 and 4.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Voss moved that the House concur in the Senate amendments to H. F. No. 830 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 830, A bill for an act relating to manufactured homes; clarifying the prohibition of net listing agreements; adding an appeals provision; correcting cross-references; amending Minnesota Statutes 1982, sections 327B.01, subdivisions 11 and 14; 327B.04, subdivision 4; 327B.05, subdivisions 1 and 2, and by adding a subdivision; 327B.07, subdivision 1; and 327B.09, subdivisions 1 and 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 4 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Blatz	Coleman	Fjoslien	Himle
Anderson, G.	Brandl	Dempsey	Forsythe	Hoberg
Anderson, R.	Brinkman	DenOuden	Craba	Hoffman
Battaglia	Burger	Dimler	Greenfield	Hokr
Beard	Carlson, D.	Eken	Gruenes	Jacobs
Begich	Carlson, L.	Elioff	Gustafson	Jensen
Bennett	Clark, J.	Ellingson	Gutknecht	Johnson
Bergstrom	Clark, K.	Erickson	Halberg	Kahn
Berkelman	Clawson	Evans	Haukoos	Kalis
Bishop	Cohen	Findlay	Heinitz	Kelly

Knickerbocker	Murphy	Price	Schreiber	Uphus
Knuth	Nelson, D.	Quinn	Seaberg	Valan
Kostobryz	Nelson, K.	Quist	Segal	Valento
Krueger	Neuenschwander	Redalen	Shaver	Vanasek
Kvam	Norton	Reif	Shea	Vellenga
Larsen	O'Connor	Rice	Sherman	Voss
Levi	Ogren	Riveness	Simoneau	Waltman
Long	Olsen	Rodosovich	Skoglund	Welch
Mann	Omann	Rodriguez, C.	Solberg	Welle
Marsh	Onnen	Rodriguez, F.	Sparby	Wenzel
McDonald	Osthoff	Rose	Staten	Wigley
McEachern	Otis	St. Onge	Sviggum	Wynia
McKasy	Pauly	Sarna	Swanson	Speaker Sieben
Metzen	Peterson	Schafer	Thiede	
Minne	Piepho	Scheid	Tomlinson	
Munger	Piper	Schoenfeld	Tunheim	

Those who voted in the negative were:

Frerichs Jennings Ludeman Welker

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. 592, A bill for an act relating to utilities; providing a penalty for failure to relinquish a coin-operated telephone for an emergency and other telephone-related situations; amending Minnesota Statutes 1982, section 609.78.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Clawson moved that the House concur in the Senate amendments to H. F. No. 592 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 592, A bill for an act relating to utilities; providing a penalty for failure to relinquish a coin-operated telephone for an emergency and other telephone-related situations; amending Minnesota Statutes 1982, section 609.78.

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 1 nay as follows:

Those who voted in the affirmative were:

Anderson, B.	Evans	Kostohryz	Otis	Sherman
Anderson, G.	Findlay	Krueger	Pauly	Simoneau
Anderson, R.	Fjoslien	Kvam	Peterson	Skoglund
Battaglia	Forsythe	Larsen	Piepho	Solberg
Beard	Frerichs	Levi	Piper	Sparby
Begich	Greenfield	Long	Price	Stadum
Bennett	Gruenes	Ludeman	Quina	Staten
Bergstrom	Gustafson	Mann	Quist	Sviggum
Berkelman	Guiknecht	Marsh	Redalen	Swanson
Bishop	Haiberg	McDonald	Reif	Thiede
Blatz	Haukoos	McEachern	Rice	Tomlinson
Brandl	Heap	McKasy	Riveness	Tunheim
Brinkman	Heinitz	Metzen	Rodosovich	Uphus
Burger	Himle	Minne	Rodriguez, C.	Valan
Carlson, L.	Hoberg	Munger	Rodriguez, F.	Valento
Clark, J.	Hoffman	Murphy	Rose	Vellenga
Clark, K.	Hokr	Nelson, D.	St. Onge	Voss
Clawson	Jacobs	Nelson, K.	Sarna	Waltman
Cohen	Jennings	Neuenschwander	Schafer	Welch
Coleman	Jensen	Norton	Scheid	Welle
Dempsey	Johnson	O'Connor	Schoenfeld	Wenzel
DenOuden	Kahn	Ogren	Schreiber	Wigley
Eken	Kafis	Olsen	Seaberg	Wynia
Elioff	Kelly	Omamn	Segal	Zaffke
Ellingson	Knickerbocker	Onnen	Shaver	Speaker Sieben
Erickson	Knuth	Osthoff	Shea	

Those who voted in the negative were:

Welker

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. 530, A bill for an act relating to crimes; providing that prosecution or acquittal of a crime in another jurisdiction is not a bar to prosecution in this state when the act or omission constitutes a crime in the other jurisdiction and this state; amending Minnesota Statutes 1982, section 609.045.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Coleman moved that the House concur in the Senate amendments to H. F. No. 530 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 530, A bill for an act relating to crimes; providing that prosecution or acquittal of a crime in another jurisdiction is not a bar to prosecution in this state when the act or omission constitutes a crime in the other jurisdiction and this state; amending Minnesota Statutes 1982, section 609.045.

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:

Anderson, B.	Erickson	Knickerbocker	Otis	Simoneau
Anderson, G.	Evans	Knuth	Pauly	Skoglund
Anderson, R.	Findlay	Kostohryz	Peterson	Solberg
Battaglia	Fjoslien	Krueger	Piepho	Sparby
Beard	Forsythe	Kvam	Piper	Stadum
Begich	Frerichs	Larsen	Price	Staten
Bennett	Graba	Levi	Quinn	Sviggum
Bergstrom	Greenfield	Long	Quist	Swanson
Berkelman	Gruenes	Ludeman	Reif	Thiede
Bishop	Gustafson	Mann	Rice	Tomlinson
Blatz	Gutknecht	Marsh	Riveness	Tunheim
Brandl	Halberg	McDonald	Rodosovich	Upphus
Brinkman	Haukoos	McEachern	Rodriguez, C.	Valan
Burger	Heap	McKasy	Rodriguez, F.	Valento
Carlson, L.	Heinitz	Minne	Rose	Vanasek
Clark, J.	Himle	Munger	St. Onge	Vellenga
Clark, K.	Hoberg	Murphy	Sarna	Voss
Clawson	Hoffman	Nelson, D.	Schafer	Waltman
Cohen	Hokr	Nelson, K.	Scheid	Welch
Coleman	Jacobs	Neuenschwander	Schoenfeld	Welker
Dempsey	Jennings	Norton	Schreiber	Welle
DenOuden	Jensen	O'Connor	Seaberg	Wenzel
Dimler	Johnson	Ogren	Segal	Wigley
Eken	Kahn	Omann	Shaver	Wynia
Elioff	Kalis	Onnen	Shea	Zaffke
Ellingson	Kelly	Osthoff	Sherman	

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. 366, 932, 1060, 1165 and 1168.

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. 473, 742 and 879.

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. 463 and 934.

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. 769 and 892.

PATRICK E. FLAHAVEN, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 366, A bill for an act relating to appropriations; authorizing the Arrowhead regional development commission to repay an appropriation with funds raised by a levy; amending Laws 1981, chapter 356, section 30.

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

S. F. No. 932, A bill for an act relating to game and fish; removing the limitation on use of muzzle loading firearms to public lands only; amending Minnesota Statutes 1982, section 100.27, subdivision 2.

The bill was read for the first time.

Ellingson moved that S. F. No. 932 and H. F. No. 763, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1060, A bill for an act relating to taxation; requiring certain information on income tax forms; amending Minnesota Statutes 1982, section 290.39, by adding a subdivision.

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

S. F. No. 1165, A bill for an act relating to motor vehicles; providing for registration, taxation, and special license plates

for classic motorcycles; proposing new law coded in Minnesota Statutes, chapter 168.

The bill was read for the first time.

Schreiber moved that S. F. No. 1165 and H. F. No. 886, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1168, A bill for an act relating to insurance; covered claims under the insurance guaranty act; rulemaking power of commissioner on nonrenewal of auto insurance and self-insurance; application fee for self-insurers; commissioner to adopt rules on nonrenewals of policies; amending Minnesota Statutes 1982, sections 60C.09, subdivision 1; 65B.17; and 65B.48, subdivision 3, and by adding a subdivision.

The bill was read for the first time.

Ellingson moved that S. F. No. 1168 and H. F. No. 1027, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 473, A bill for an act relating to traffic regulations; removing restrictions on use at trial of an accused's refusal to take a chemical test; providing that a suspect be informed that refusal to take a chemical test will be used against him at trial; removing requirements for mandatory detoxification in certain instances; providing penalties; amending Minnesota Statutes 1982, sections 169.121, subdivisions 2, 3, 4, and 8; and 169.123, subdivisions 2, 3, and 4; repealing Minnesota Statutes 1982, section 169.1231.

The bill was read for the first time.

Vellenga moved that S. F. No. 473 and H. F. No. 918, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 742, A bill for an act relating to courts; establishing a court structure study commission; establishing its powers and duties; requiring a report to the legislature.

The bill was read for the first time.

Clawson moved that S. F. No. 742 and H. F. No. 655, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 879, A bill for an act relating to courts; increasing mileage allowances for jurors; amending Minnesota Statutes 1982, section 593.48.

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

S. F. No. 463, A bill for an act relating to port authorities; authorizing revenue bond financing of certain facilities; eliminating the interest rate limit on revenue bonds and authorizing private sale; clarifying contractual and operational authority of port authorities; amending Minnesota Statutes 1982, sections 458.192, subdivisions 1, 4, and by adding a subdivision; 458.194, subdivisions 2, 3, and by adding a subdivision; and 458.195, by adding a subdivision.

The bill was read for the first time.

Cohen moved that S. F. No. 463 and H. F. No. 520, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 934, A bill for an act relating to elections; authorizing the use of electronic voting systems for absentee voting under certain circumstances; authorizing the secretary of state to promulgate rules; amending Minnesota Statutes 1982, sections 203B.08, by adding subdivisions; 203B.11; and 203B.12, subdivision 5; proposing new law coded in Minnesota Statutes, chapter 203B.

The bill was read for the first time and referred to the Committee on General Legislation and Veterans Affairs.

S. F. No. 769, A bill for an act relating to property exempt from attachment, garnishment, or levy of execution; requiring notice to judgment debtors prior to delivery of funds owed to the judgment debtor by any third party to satisfy a creditor's claim; providing for an exemption notice within certain time limits; providing penalties for failure to send the exemption notice; clarification of certain exempt funds; providing for an increase in the amount of household goods exempt; amending Minnesota Statutes 1982, sections 548.15; 550.041; 550.14; 550.141, by adding a subdivision; 550.37, subdivisions 4, 13, 14, 19, 20, and 24, and by adding a subdivision; 571.41, subdivisions 5 and 6, and by adding subdivisions; 571.42; and 571.67.

The bill was read for the first time.

Ellingson moved that S. F. No. 769 and H. F. No. 790, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 892, A bill for an act relating to insurance; authorizing the establishment of joint self-insurance employee health

plans; providing administrative, trust, bonding, investment, and reporting requirements; establishing a quarterly revenue fee; proposing new law coded as Minnesota Statutes, chapter 62H.

The bill was read for the first time.

Berkelman moved that S. F. No. 892 and H. F. No. 1033, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

The Speaker called Wynia to the Chair.

Anderson, R., was excused while in Conference.

CONSENT CALENDAR

S. F. No. 756, A bill for an act relating to negligence; removing bars to actions in certain cases; amending Minnesota Statutes 1982, section 604.06.

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:

Anderson, B.	Erickson	Knickerbocker	Onnen	Simoneau
Anderson, G.	Evans	Kuuth	Osthoff	Skoglund
Battaglia	Findlay	Kostohryz	Otis	Solberg
Beard	Fjoslien	Krueger	Pauly	Sparby
Begich	Forsythe	Kvam	Peterson	Stadum
Bennett	Frerichs	Larsen	Piepho	Staten
Bergstrom	Gräba	Levi	Piper	Sviggum
Berkelman	Greenfield	Long	Price	Swanson
Bishop	Gruenes	Ludeman	Quist	Thiede
Blatz	Gustafson	Mann	Reif	Tomlinson
Brandl	Gutknecht	Marsh	Rice	Tunheim
Brinkman	Halberg	McDonald	Riveness	Uphus
Burger	Haukoos	McEachern	Rodosovich	Valan
Carlson, D.	Heap	McKasy	Rodriguez, C.	Valento
Carlson, L.	Heinitz	Metzen	Rodriguez, F.	Vanasek
Clark, J.	Himle	Minne	St. Onge	Vellenga
Clark, K.	Hoberg	Munger	Sarna	Voss
Clawson	Hoffman	Murphy	Schafer	Waltraan
Cohen	Hokr	Nelson, D.	Scheid	Welch
Coleman	Jacobs	Nelson, K.	Schoenfeld	Welker
Dempsey	Jennings	Neuenschwander	Schreiber	Welle
DenOuden	Jensen	Norton	Seaberg	Wenzel
Dimler	Johnson	O'Connor	Segal	Wigley
Eken	Kahn	Ogren	Shaver	Wynia
Elioff	Kalis	Olsen	Shea	Zaffke
Ellingson	Kelly	Omahn	Sherman	

The bill was passed and its title agreed to.

S. F. No. 987, A bill for an act relating to natural resources; eliminating obsolete material and updating certain provisions relating to decorative trees; amending Minnesota Statutes 1982, sections 88.641, subdivision 1; 88.642; 88.644; and 88.648; repealing Minnesota Statutes 1982, section 88.641, subdivision 3; 88.643; 88.646; and 88.649.

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:

Anderson, B.	Evans	Kostohryz	Pauly	Solberg
Anderson, G.	Findlay	Krueger	Peterson	Sparby
Battaglia	Fjoslien	Kvam	Piepho	Stadum
Beard	Forsythe	Larsen	Piper	Staten
Begich	Frerichs	Levi	Price	Sviggum
Bennett	Graba	Long	Quist	Swanson
Bergstrom	Greenfield	Ludeman	Redalen	Thiede
Bishop	Gruenes	Mann	Reif	Tomlinson
Blatz	Gustafson	Marsh	Rice	Tunheim
Brandl	Gutknecht	McDonald	Riveness	Uphus
Brinkman	Halberg	McEachern	Rodosovich	Valan
Burger	Haukoos	McKasy	Rodriguez, C.	Valento
Carlson, D.	Heap	Metzen	Rodriguez, F.	Vanasek
Carlson, L.	Heinitz	Minne	St. Onge	Vellenga
Clark, J.	Himle	Munger	Sarna	Voss
Clark, K.	Hoffman	Murphy	Schafer	Waltman
Clawson	Hokr	Nelson, K.	Scheid	Welch
Cohen	Jacobs	Neuenschwander	Schoenfeld	Welker
Coleman	Jennings	Norton	Schreiber	Welle
Dempsey	Jeusen	O'Connor	Seaberg	Wenzel
DenOuden	Johnson	Ogren	Segal	Wigley
Dimler	Kahn	Olsen	Shaver	Wynia
Eken	Kalis	Omann	Shea	Zaffke
Elioff	Kelly	Onnen	Sherman	Speaker Sieben
Ellingson	Knickerbocker	Osthoff	Simoneau	
Erickson	Knuth	Otis	Skoglund	

The bill was passed and its title agreed to.

S. F. No. 1104 was reported to the House.

Schreiber moved to amend S. F. No. 1104, the unofficial engrossment, as follows:

Page 1, line 12, restore the stricken "every applicant"

Page 1, line 12, after "applicant" insert "therefor"

Page 1, line 13, delete "a" and strike the remainder of the line.

Page 1, line 14, strike "licensed to drive"

Page 1, line 15, strike everything after "(SECTION)"

Page 1, line 16, strike everything through the comma

Page 1, line 16, delete the new language.

Page 1, line 17, delete the new language.

Page 1, line 22, after "signature" insert "*and his date of birth*"

Page 1, line 25, strike "non-driver" and insert "*Minnesota identification card—not a driver's license*"

Page 1, line 25, delete the new language.

Further, amend the title as follows:

Page 1, line 2, delete "clarifying" and insert "removing"

Page 1, delete line 4

Page 1, line 5, delete everything through "drivers" and insert "providing for the marking of a Minnesota identification card;"

The motion prevailed and the amendment was adopted.

S. F. No. 1104, A bill for an act relating to motor vehicles; clarifying requirements for issuance of a Minnesota identification card; amending Minnesota Statutes 1982, section 171.07, subdivision 3.

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

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

Those who voted in the affirmative were:

Anderson, B.	Clark, J.	Frerichs	Jennings	Mann
Anderson, G.	Clark, K.	Graba	Jensen	Marsh
Battaglia	Clawson	Greenfield	Johnson	McDonald
Beard	Cohen	Gruenes	Kahn	McEachern
Begich	Coleman	Gustafson	Kalis	McKasy
Bennett	Dempsey	Gutknecht	Kelly	Metzen
Bergstrom	DenOuden	Halberg	Knickerbocker	Minne
Berkelman	Dimler	Haukoos	Knuth	Munger
Bishop	Elioff	Heap	Kostohryz	Murphy
Blatz	Ellingson	Heinitz	Krueger	Murphy, D.
Brandl	Erickson	Himle	Kvam	Nelson, K.
Brinkman	Evans	Hoberg	Larsen	Neuenschwander
Burger	Findlay	Hoffman	Levi	Norton
Carlson, D.	Fjoslien	Hokr	Long	O'Connor
Carlson, L.	Forsythe	Jacobs	Ludeman	Ogren

Olsen	Redalen	Schoenfeld	Staten	Waltman
Omamm	Reif	Schreiber	Sviggum	Welch
Onnen	Rice	Seaberg	Swanson	Welker
Osthoff	Riveness	Segal	Thiede	Welle
Otis	Rodosovich	Shaver	Tomlinson	Wenzel
Pauly	Rodriguez, C.	Shea	Tunheim	Wigley
Peterson	Rodriguez, F.	Sherman	Uphus	Wynia
Piepho	Rose	Simoneau	Valan	Zaffke
Piper	St. Onge	Skoglund	Valento	Speaker Sieben
Price	Sarna	Solberg	Vanasek	
Quinn	Schafer	Sparby	Vellenga	
Quist	Scheid	Stadum	Voss	

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

Onnen was excused between 3:05 and 3:20 p.m.

CALENDAR

H. F. No. 102, A bill for an act relating to agricultural and residential real estate; requiring 60 days notice of default on a real estate mortgage, notice of termination of a real estate contract for deed, and eight weeks notice of commencement of a sale and foreclosure proceeding; providing that a court may order a delay in a foreclosure sale or contract termination under certain circumstances; limiting the right to maintain actions for deficiency judgments; amending Minnesota Statutes 1982, sections 47.20, by adding a subdivision; 559.21, by adding a subdivision; proposing new law coded in Minnesota Statutes, chapter 550; proposing new law coded as Minnesota Statutes, chapter 583.

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 97 yeas and 34 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Ellingson	Marsh	Redalen	Stadum
Anderson, C.	Evans	McEachern	Reif	Staten
Battaglia	Graba	McKasy	Rice	Swanson
Beard	Greenfield	Metzen	Riveness	Tomlinson
Begich	Gustafson	Minne	Rodosovich	Tunheim
Bennett	Hoberg	Munger	Rodriguez, C.	Uphus
Bergstrom	Hoffman	Murphy	Rodriguez, F.	Valan
Blatz	Jacobs	Nelson, D.	Rose	Valento
Brandl	Jensen	Nelson, K.	St. Onge	Vanasek
Burger	Johnson	Neuenschwander	Sarna	Vellenga
Carlson, D.	Kahn	Norton	Schoenfeld	Voss
Carlson, L.	Kalis	O'Connor	Seaberg	Waltman
Clark, J.	Kelly	Ogren	Segal	Welch
Clark, K.	Knuth	Omamm	Shaver	Welle
Clawson	Kostohryz	Otis	Shea	Wenzel
Cohen	Krueger	Peterson	Sherman	Wynia
Coleman	Larsen	Piepho	Simoneau	Speaker Sieben
Dempsey	Levi	Piper	Skoglund	
Eken	Long	Price	Solberg	
Elioff	Mann	Quinn	Sparby	

Those who voted in the negative were:

Berkelman	Fjoslien	Heap	Ludeman	Schreiber
Bishop	Forsythe	Heinitz	McDonald	Sviggum
Brinkman	Frerichs	Himle	Osthoff	Thiede
DenOuden	Gruenes	Hokr	Pauly	Welker
Dimler	Gutknecht	Jennings	Quist	Wigley
Erickson	Halberg	Knickerbocker	Schafer	Zaffke
Findlay	Haukoos	Kvam	Scheid	

The bill was passed and its title agreed to.

SPECIAL ORDERS

H. F. No. 89 was reported to the House.

Greenfield requested that H. F. No. 89 be continued.

POINTS OF ORDER

Knickerbocker raised a point of order pursuant to section 676, paragraph 1, of "Mason's Manual of Legislative Procedure" relating to the report from the Committee on Rules and Legislative Administration issued earlier today designating bills as Special Orders.

Ludeman raised a point of order pursuant to section 244 of "Mason's Manual of Legislative Procedure" relating to the Knickerbocker point of order.

The Speaker pro tem ruled the points of order not germane.

H. F. No. 643 was reported to the House.

McEachern moved that H. F. No. 643 be continued. The motion prevailed.

S. F. No. 721, A bill for an act relating to local government; authorizing Carver and Washington counties to finance sewage disposal systems on behalf of cities and towns in the county by the issuance of county general obligation bonds.

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:

Anderson, B.	Berkelman	Carlson, L.	DenOuden	Findlay
Anderson, G.	Bishop	Clark, J.	Dimler	Fjoslien
Battaglia	Blatz	Clark, K.	Eken	Forsythe
Beard	Brandl	Clawson	Elioff	Frerichs
Begich	Brinkman	Cohen	Ellingson	Graba
Bennett	Burger	Coleman	Erickson	Greenfield
Bergstrom	Carlson, D.	Dempsey	Evans	Gruenes

Gustafson	Krueger	Ogren	St. Onge	Thiede
Gutknecht	Kvam	Olsen	Sarna	Tomlinson
Haukoos	Larsen	Omann	Schafer	Tunheim
Heap	Levi	Onnen	Scheid	Uphus
Heinitz	Long	Osthoff	Schoenfeld	Valan
Himle	Ludeman	Otis	Schreiber	Valento
Hoberg	Mann	Pauly	Seaberg	Vanasek
Hoffman	Marsh	Peterson	Segal	Vellenga
Hokr	McDonald	Piepho	Shaver	Waltman
Jacobs	McEachern	Piper	Shea	Welch
Jennings	McKasy	Price	Sherman	Welker
Jensen	Metzen	Quist	Simoneau	Welle
Johnson	Minne	Redalen	Skoglund	Wenzel
Kahn	Munger	Reif	Solberg	Wigley
Kalis	Murphy	Rice	Sparby	Wynia
Kelly	Nelson, K.	Rodosovich	Stadium	Zaffke
Knickerbocker	Neuenschwander	Rodriguez, C.	Staten	Speaker Sieben
Knuth	Norton	Rodriguez, F.	Sviggum	
Kostohryz	O'Connor	Rose	Swanson	

The bill was passed and its title agreed to.

S. F. No. 705, A bill for an act relating to Blue Earth County; providing for the taxation of the Rapidan Dam power generating facility.

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:

Anderson, B.	Erickson	Knickerbocker	Osthoff	Simoneau
Anderson, G.	Evans	Kostohryz	Otis	Skoglund
Battaglia	Findlay	Krueger	Pauly	Solberg
Beard	Fjoslien	Kvam	Peterson	Sparby
Begich	Forsythe	Larsen	Piepho	Stadium
Bennett	Frerichs	Levi	Piper	Staten
Bergstrom	Graba	Long	Price	Sviggum
Berkelman	Greenfield	Ludeman	Quist	Swanson
Bishop	Gruenes	Mann	Redalen	Thiede
Blatz	Gustafson	Marsh	Reif	Tomlinson
Brandl	Gutknecht	McDonald	Rice	Tunheim
Brinkman	Halberg	McEachern	Rodosovich	Uphus
Burger	Haukoos	McKasy	Rodriguez, C.	Valan
Carlson, D.	Heap	Metzen	Rodriguez, F.	Valento
Carlson, L.	Heinitz	Minne	Rose	Vanasek
Clark, J.	Himle	Munger	St. Onge	Vellenga
Clark, K.	Hoberg	Murphy	Sarna	Voss
Clawson	Hoffman	Nelson, D.	Schafer	Waltman
Cohen	Hokr	Nelson, K.	Scheid	Welch
Coleman	Jacobs	Neuenschwander	Schoenfeld	Welker
Dempsey	Jennings	Norton	Schreiber	Welle
DenOuden	Jensen	O'Connor	Seaberg	Wenzel
Dimler	Johnson	Ogren	Segal	Wigley
Eken	Kahn	Olsen	Shaver	Wynia
Ethoff	Kalis	Omann	Shea	Zaffke
Ellingson	Kelly	Onnen	Sherman	Speaker Sieben

The bill was passed and its title agreed to.

H. F. No. 977, A bill for an act relating to liquor; authorizing the city of Farmington to issue a club on-sale license to an Eagles Club.

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 112 yeas and 10 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Ellingson	Knickerbocker	Piepho	Skoglund
Anderson, C.	Evans	Knuth	Piper	Solberg
Battaglia	Findlay	Kostohryz	Price	Sparby
Beard	Fjoslien	Krueger	Quist	Stadum
Begich	Forsythe	Larsen	Redalen	Swiggum
Bennett	Frerichs	Levi	Reif	Swanson
Bergstrom	Graba	Long	Rice	Tomlinson
Berkelman	Greenfield	Ludeman	Riveness	Tunheim
Bishop	Gruenes	Mann	Rodosovich	Valan
Blatz	Gustafson	Marsh	Rodriguez, C.	Valento
Brandl	Heap	McDonald	Rodriguez, F.	Vanasek
Brinkman	Heinitz	McEachern	Rose	Voss
Burger	Himle	Metzen	St. Onge	Waltman
Carlson, L.	Hoberg	Munger	Sarna	Welch
Clark, J.	Hoffman	Murphy	Scheid	Welker
Clark, K.	Hokr	Nelson, K.	Schoenfeld	Welle
Clawson	Jacobs	Neuenschwander	Schreiber	Wenzel
Cohen	Jennings	Norton	Seaberg	Wigley
Coleman	Jensen	O'Connor	Segal	Wynia
Dempsey	Johnson	Ogren	Shaver	Speaker Sieben
Dimler	Kahn	Omamm	Shea	
Eken	Kalis	Pauly	Sherman	
Elioff	Kelly	Peterson	Simoneau	

Those who voted in the negative were:

Carlson, D.	Erickson	Kvam	Schafer	Thiede
DenOuden	Haukoos	Onnen	Staten	Uphus

The bill was passed and its title agreed to.

H. F. No. 995 was reported to the House.

Eken moved that H. F. No. 995 be continued. The motion prevailed.

H. F. No. 996 was reported to the House.

Riveness moved to amend H. F. No. 996, as follows:

Page 2, line 7, delete "This act" and insert "Sections 1 to 8"

Page 2, after line 10, insert:

"Sec. 5. [HEATING SYSTEM.]

Notwithstanding any other law to the contrary, the port authority of the city of Bloomington may acquire, own, construct, and operate a district heating system or systems to provide heating and cooling services and other energy services within the city of Bloomington.

Sec. 6. [ENERGY DEMAND CONTROL.]

Notwithstanding any other statute to the contrary, the port authority of the city of Bloomington may, in conjunction with a district heating system, acquire, own, construct, and operate an energy management and control system for monitoring and controlling users' energy demand within the port district of the city of Bloomington as a related ancillary function of the district heating system.

Sec. 7. [ANCILLARY SERVICES.]

Notwithstanding any other law to the contrary, the port authority of the city of Bloomington may, in conjunction with a district heating system, acquire, own, construct, and operate ancillary services related to an energy management and control system including, but not limited to, sensing and monitoring services for supervision of fire and life safety systems and building security systems within the port district of the city of Bloomington.

Sec. 8. [EFFECTIVE DATE.]

Sections 5 to 7 shall become effective only after approval by the board of the port authority of the city of Bloomington and by the governing body of the city of Bloomington and upon compliance with the provisions of Minnesota Statutes, section 645.021."

Delete the title and insert:

"A bill for an act relating to local government; authorizing the port authorities of the cities of St. Paul and Bloomington to acquire and operate a district heating system."

The motion prevailed and the amendment was adopted.

H. F. No. 996, A bill for an act relating to local government; authorizing the port authorities of the cities of St. Paul and Bloomington to acquire and operate a district heating system.

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

The question was taken on the passage of the bill and the roll was called. There were 106 yeas and 24 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Eilingson	Kostohryz	Peterson	Solberg
Anderson, G.	Evans	Krueger	Piper	Sparby
Battaglia	Findlay	Kvam	Price	Stadum
Beard	Forsythe	Larsen	Quinn	Staten
Begich	Graba	Levi	Quist	Swanson
Bennett	Greenfield	Long	Reif	Tomlinson
Bergstrom	Gustafson	Mann	Rice	Tunheim
Berkelman	Cutknecht	Marsh	Riveness	Uphus
Bishop	Halberg	McEachern	Rodosovich	Valan
Blatz	Heap	Metzen	Rodriguez, C.	Vanasek
Brandl	Himle	Minne	Rodriguez, F.	Vellenga
Brinkman	Hoberg	Munger	Rose	Voss
Burger	Hoffman	Murphy	St. Onge	Waltman
Carlson, D.	Hokr	Nelson, K.	Sarna	Welch
Carlson, L.	Jacobs	Neuenschwander	Scheid	Welle
Clark, J.	Jensen	Norton	Schoenfeld	Wenzel
Clark, K.	Johnson	O'Connor	Seaberg	Wynia
Clawson	Kahn	Ogren	Segal	Speaker Sieben
Cohen	Kalis	Olsen	Shea	
Coleman	Kelly	Osthoff	Sherman	
Eken	Knickerbocker	Otis	Simoneau	
Elioff	Knuth	Pauly	Skoglund	

Those who voted in the negative were:

Dempsey	Frerichs	Ludeman	Redalen	Valento
DonOuden	Gruenes	McDonald	Schafer	Welker
Dimler	Haukoos	Omann	Schreiber	Wigley
Erickson	Heinitz	Onnen	Sviggun	Zaffke
Fjoslien	Jennings	Piepho	Thiede	

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

Krueger was excused for the remainder of today's session.

S. F. No. 44 was reported to the House.

Piper moved to amend S. F. No. 44, as follows:

Page 1, line 15, delete "July 1, 1983" and insert "the day following final enactment"

The motion prevailed and the amendment was adopted.

S. F. No. 44, A bill for an act relating to child support; allowing courts to order support for certain individuals attending secondary school; amending Minnesota Statutes 1982, section 518.54, 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 123 yeas and 1 nay as follows:

Those who voted in the affirmative were:

Anderson, B.	Erickson	Kelly	Osthoff	Simoneau
Anderson, G.	Evans	Knickerbocker	Otis	Skoglund
Battaglia	Findlay	Knuth	Pauly	Solberg
Beard	Fjoslien	Kostohryz	Peterson	Sparby
Begich	Forsythe	Kvam	Piepho	Stadium
Bennett	Frerichs	Larsen	Piper	Staten
Bergstrom	Graba	Levi	Price	Sviggum
Berkelman	Greenfield	Long	Quinn	Swanson
Bishop	Gruenes	Mann	Quist	Tomlinson
Blatz	Gustafson	Marsh	Redalen	Tunheim
Brandl	Gutknecht	McDonald	Reif	Valan
Brinkman	Halberg	McEachern	Rice	Valento
Burger	Haukoos	McKasy	Riveness	Vanasek
Carlson, D.	Heap	Metzen	Rodosovich	Vellenga
Carlson, L.	Heinitz	Minne	Rodriguez, C.	Voss
Clark, J.	Himle	Munger	Rodriguez, F.	Waltman
Clark, K.	Hoberg	Murphy	St. Onge	Welch
Clawson	Hoffman	Nelson, K.	Sarna	Welle
Cohen	Hokr	Neuenschwander	Schafer	Wenzel
Coleman	Jacobs	Norton	Scheid	Wigley
Dempsey	Jennings	O'Connor	Schoenfeld	Wynia
Dimler	Jensen	Ogren	Seaberg	Zaffke
Eken	Johnson	Olsen	Segal	Speaker Sieben
Elioff	Kahn	Omann	Shaver	
Ellingson	Kalis	Onnen	Sherman	

Those who voted in the negative were:

DenOuden

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

H. F. No. 244 was reported to the House.

Begich moved that H. F. No. 244 be continued. The motion prevailed.

The Speaker resumed the Chair.

H. F. No. 294 was reported to the House.

Voss moved to amend H. F. No. 294, the first engrossment, as follows:

Page 1, line 16, strike "and" and insert a period

Page 1, line 16, before "must" insert "*The notice and the safety feature disclosure form required under section 3*"

Page 2, line 22, delete everything after "sale" and insert "*, in writing, on the form that is attached to this notice. You must completely and accurately fill out the form and you and the buyer should each keep a copy.*"

Page 2, delete line 23

Page 2, after line 30, insert:

"In addition, the safety feature disclosure form required under section 3 must be attached to the notice."

Page 3, line 11, delete "327.07" and insert "327C.07"

Page 3, delete lines 13 to 35, insert:

"Subd. 3a. [SAFETY FEATURE DISCLOSURE FORM.] A resident or a resident's agent shall disclose information about safety features of the home to the prospective buyer. The information must be given to the buyer before the sale, in writing, in the following form:

"MANUFACTURED (MOBILE) HOME SAFETY FEATURE DISCLOSURE FORM

This form is required by law to be filled out and given to the prospective buyer of any used manufactured home by all private parties, dealers, and brokers.

EXITS AND EGRESS WINDOWS

This home has at least one egress window in each bedroom, or a window in each bedroom that meets the specifications of the American National Standard Institute 1972 code covering manufactured homes made in Minnesota. This code requires that the window be at least 22 inches in least dimension, and at least five square feet in area, and that the window be not more than four feet off the floor.

Yes—— No——

This home has —— (number) of exits. They are located ——

SMOKE DETECTORS AND FIRE EXTINGUISHERS

This home is equipped with fire extinguishers as required by the Minnesota State Health Department.

Yes—— No——

They are located _____

This home is equipped with at least one listed automatic smoke detector outside each sleeping area as required in homes built in accordance with the state building code.

Yes—— No——

ALUMINUM WIRING

This home has aluminum wiring.

Yes— No—

Aluminum wiring can present a fire hazard in homes. The special hazards presented by aluminum wiring can be eliminated by certain repairs, as recommended by the U. S. Consumer Product Safety Commission.

A. The wiring connections to the outlets in this home have been crimped, and the connection point is now copper.

Yes— No—

B. This home has electrical outlets and switches compatible with aluminum wiring.

Yes— No—

C. Other action has been taken to eliminate or reduce the danger caused by aluminum wiring in this home. (Describe)

(The buyer may check the effectiveness of these methods by contacting the U. S. Consumer Product Safety Commission.)

FURNACE AND HOT WATER HEATER

The furnace compartment in this home is lined with fire-resistant gypsum board, as specified in the 1976 U. S. Department of Housing and Urban Development codes governing manufactured housing construction.

Yes— No—

The hot water heater cabinet in this home is lined with fire-resistant gypsum board, as specified in the 1976 U. S. Department of Housing and Urban Development codes governing manufactured housing construction.

Yes— No—

WOOD STOVE AND FIREPLACE

This home contains a wood stove. This stove was installed by the manufacturer of the home after June 15, 1976, and was inspected for compliance with the U. S. Department of Housing and Urban Development safety codes.

Yes—— No——

This home contains a wood stove. This wood stove unit is approved for installation in manufactured homes. It was installed by _____ in accordance with the manufacturer's guidelines. A building permit for this wood stove was issued by the city of _____, and this wood stove installation has been approved by the building inspector.

Yes—— No——

This home contains a fireplace. The fireplace was installed by the manufacturer of the home after June 15, 1976, and was inspected for compliance with the U. S. Department of Housing and Urban Development safety codes.

Yes—— No——

This home contains a fireplace. This fireplace unit is approved for installation in manufactured homes. It was installed by _____ in accordance with the manufacturer's guidelines. A building permit for this fireplace was issued by the city of _____, and this fireplace installation has been approved by the building inspector.

Yes—— No——

BLOCKING

This home is supported by blocking, as required by state code since September 1, 1974.

Yes—— No——

RECOMMENDATIONS TO PROSPECTIVE BUYERS:**HEAT TAPE**

It is also recommended that the buyer check the home's heat tape. Old and worn heat tape, and improper installation of heat tape, can cause a fire hazard.

FURNACE AND HOT WATER HEATER

It is recommended that the buyer have a qualified utility representative check the furnace and hot water heater to see

that they are both in good working order. If this home was converted from oil to natural gas heat, there could be safety problems if the conversion was not done correctly. A utility representative or building inspector can inspect the condition and installation of this equipment. They may charge a reasonable fee to do so. It is also recommended that the buyer check the floor area around the water heater and furnace compartments. A weakened floor can create a fire hazard.

ENERGY AUDIT

It is also recommended that the buyer have a utility approved energy audit of the home.

COMPLIANCE WITH SAFETY FEATURES

If you purchase the home, you will be required to install egress windows and smoke detectors and fire extinguishers within one year. You will be required to comply with all of the safety features contained in this form within three years.

I, _____, the undersigned, hereby declare that the above information is true and correct to the best of my knowledge.

Signature

Date"

A park owner shall provide a resident or a resident's agent with a copy of the safety feature disclosure form upon request.

Sec. 4. Minnesota Statutes 1982, section 327C.07, is amended by adding a subdivision to read:

Subd. 8. [COMPLIANCE WITH HOME SAFETY FEATURES.] Within 12 months following the in park sale of a home for which a home safety feature disclosure form has been provided under subdivision 3a, the buyer shall install egress windows meeting the specifications of the American National Standard Institute 1972 code covering manufactured homes made in Minnesota and fire extinguishers and smoke detectors as required by the Minnesota state health department and state building code.

In addition to the previous requirements, within three years following the sale or upon the resale of the home the buyer shall install the following home safety features:

(a) *Necessary aluminum wiring repairs conforming with the recommendations of the consumer product safety commission;*

(b) *Fire-resistant gypsum board lining or similar fire-resistant material for furnaces and hot water heaters conforming with the 1976 department of housing and urban development codes;*

(c) *If the home contains a wood stove or fireplace, installation in conformance with 1976 department of housing and urban development safety codes; and*

(d) *Blocking supports as required by the state building code.*

Following installation of the safety features required under this subdivision, the home must be inspected by a building inspector. The inspector may charge a reasonable fee, not to exceed \$50, for the inspection. The homeowner shall give the park owner a certificate of inspection certifying that the home safety features required under this subdivision have been installed. Failure to comply with the requirements of this subdivision is a park rule violation for purposes of section 327C.09."

Page 3, line 36, delete "4" and insert "5"

Page 4, line 1, delete "and 2" and insert "to 4"

Amend the title as follows:

Page 1, line 4, delete "of homes in the park" and after "disclose" insert "manufactured home"

Page 1, line 5, delete "certain"

Page 1, line 5, delete "information about the home" and insert "features"

Page 1, line 7, delete "a"

Page 1, line 8, delete "subdivision" and insert "subdivisions"

A roll call was requested and properly seconded.

The question was taken on the amendment and the roll was called. There were 77 yeas and 40 nays as follows:

Those who voted in the affirmative were:

Battaglia	Begich	Bergstrom	Bishop	Brinkman
Beard	Bennett	Berkelman	Brandl	Carlson, L.

Clark, J.	Kahn	O'Connor	Rodriguez, F.	Tomlinson
Clark, K.	Kelly	Ogren	St. Onge	Tunheim
Cohen	Knuth	Olsen	Sarna	Vanasek
Coleman	Kostohryz	Osthoff	Scheid	Vellenga
Eken	Larsen	Otis	Schoenfeld	Voss
Elioff	Levi	Peterson	Seaberg	Waltman
Ellingson	Mann	Piper	Segal	Welch
Graba	McEachern	Price	Shaver	Welle
Greenfield	Metzen	Quinn	Simoneau	Wenzel
Gustafson	Minne	Reif	Skoglund	Wynia
Gutknecht	Munger	Rice	Solberg	Speaker Sieben
Hoffman	Murphy	Rivness	Sparby	
Jacobs	Neuenschwander	Rodosovich	Staten	
Jensen	Norton	Rodriguez, C.	Swanson	

Those who voted in the negative were:

Blatz	Fjoslien	Hoberg	Omann	Stadum
Burger	Frerichs	Jennings	Onnen	Sviggum
Carlson, D.	Gruenes	Johnson	Piepho	Thiede
Dempsey	Halberg	Kvam	Quist	Uphus
DenOuden	Haukoos	Ludeman	Redalen	Valento
Dimler	Heap	Marsh	Rose	Welker
Evans	Heinitz	McDonald	Schafer	Wigley
Findlay	Himle	McKasy	Sherman	Zaffke

The motion prevailed and the amendment was adopted.

The Speaker called Wynia to the Chair.

Welker moved to amend H. F. No. 294, the first engrossment, as amended, as follows:

Page 3, after line 35, insert:

"Sec. 5.

A buyer may by written agreement waive their rights to the seller disclosure"

Renumber the sections accordingly

A roll call was requested and properly seconded.

The question was taken on the amendment and the roll was called. There were 56 yeas and 69 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Erickson	Haukoos	Kvam	Piepho
Bennett	Evans	Heap	Ludeman	Quist
Bishop	Findlay	Heinitz	Marsh	Redalen
Blatz	Fjoslien	Himle	McDonald	Rose
Burger	Frerichs	Hoberg	McKasy	Schafer
Carlson, D.	Graba	Jennings	Olsen	Schreiber
Dempsey	Gruenes	Jensen	Omann	Seaberg
DenOuden	Gutknecht	Johnson	Onnen	Shaver
Dimler	Halberg	Knickerbocker	Pauly	Sherman

Stadum	Uphus	Waltman	Wigley	Zaffke
Sviggum	Valan	Welker		
Thiede	Valento	Wenzel		

Those who voted in the negative were:

Anderson, G.	Eken	Long	Piper	Skoglund
Battaglia	Elioff	Mann	Price	Solberg
Beard	Ellingson	McEachern	Quinn	Sparby
Begich	Greenfield	Metzen	Rice	Staten
Bergstrom	Gustafson	Minne	Riveness	Swanson
Berkelman	Hoffman	Munger	Rodosovich	Tomlinson
Brandl	Jacobs	Murphy	Rodriguez, C.	Tunheim
Brinkman	Kahn	Nelson, K.	Rodriguez, F.	Vanasek
Carlson, L.	Kalis	Norton	St. Onge	Vellenga
Clark, J.	Kelly	O'Connor	Sarna	Voss
Clark, K.	Knuth	Ogren	Scheid	Welle
Clawson	Kostohryz	Osthoff	Schoenfeld	Wynia
Cohen	Larsen	Otis	Segal	Speaker Sieben
Coleman	Levi	Peterson	Simoneau	

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

H. F. No. 294, A bill for an act relating to manufactured homes; granting the right to make in park sales of homes more than 15 years old; requiring sellers to disclose manufactured home safety features; amending Minnesota Statutes 1982, sections 327C.02, subdivision 5; and 327C.07, subdivision 1, and by adding subdivisions.

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 95 yeas and 30 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Coleman	Knuth	Peterson	Skoglund
Anderson, G.	Eken	Kostohryz	Piper	Solberg
Anderson, R.	Elioff	Larsen	Price	Sparby
Battaglia	Ellingson	Levi	Quinn	Staten
Beard	Evans	Long	Rice	Sviggum
Begich	Findlay	Mann	Riveness	Swanson
Bennett	Fjoslien	McDonald	Rodosovich	Tomlinson
Bergstrom	Greenfield	McEachern	Rodriguez, C.	Tunheim
Berkelman	Gustafson	Metzen	Rodriguez, F.	Valan
Bishop	Gutknecht	Minne	Rose	Valento
Brandl	Hoberg	Munger	St. Onge	Vanasek
Brinkman	Hoffman	Murphy	Sarna	Vellenga
Burger	Hokr	Nelson, K.	Scheid	Voss
Carlson, D.	Jacobs	Norton	Schoenfeld	Waltman
Carlson, L.	Jensen	O'Connor	Schreiber	Welch
Clark, J.	Kahn	Ogren	Seaberg	Welle
Clark, K.	Kalis	Olsen	Segal	Wenzel
Clawson	Kelly	Osthoff	Shaver	Wynia
Cohen	Knickerbocker	Otis	Simoneau	Speaker Sieben

Those who voted in the negative were:

Blatz	Gruenes	Jennings	Onnen	Stadum
Dempsey	Halberg	Johnson	Pauly	Thiede
DenOuden	Haukoos	Kvam	Piepho	Uphus
Erickson	Heap	Ludeman	Quist	Welker
Frerichs	Heinitz	Marsh	Redalen	Wigley
Graba	Himle	Omann	Schafer	Zaffke

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

H. F. No. 360 was reported to the House.

McEachern moved that H. F. No. 360 be continued. The motion prevailed.

The Speaker resumed the Chair.

H. F. No. 431 was reported to the House.

Ludeman moved to amend H. F. No. 431, the first engrossment, as follows:

Page 7, line 29, after "*AFL-CIO*" insert, "*or his designees in the House of Representatives*"

Page 7, line 31, after "*president*" insert "*or his designees*"

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

St. Onge was excused for the remainder of today's session.

Erickson moved to amend H. F. No. 431, the first engrossment, as follows:

Page 2, line 14, after "*funds in*" insert "*non-farm*"

Page 6, line 14, after "*funds in*" insert "*non-farm*"

Page 7, line 17, after "*funds in*" insert "*non-farm*"

Page 7, line 23, after "*in*" insert "*non-farm*"

Amend the title:

Page 1, line 3, after "*in*" insert "*non-farm*"

The motion prevailed and the amendment was adopted.

Welker moved to amend H. F. No. 431, the first engrossment, as amended, as follows:

Page 7, line 29, delete "president of the Minnesota AFL-CIO" and insert "Lieutenant Governor"

Page 7, line 31, delete "president" and insert "Lieutenant Governor"

A roll call was requested and properly seconded.

The question was taken on the amendment and the roll was called. There were 113 yeas and 11 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Evans	Kostohryz	Price	Sparby
Anderson, G.	Findlay	Kvam	Quinn	Stadum
Anderson, R.	Fjoslien	Larsen	Quist	Staten
Battaglia	Forsythe	Ludeman	Redalen	Sviggum
Beard	Greenfield	Mann	Reif	Swanson
Bennett	Gruenes	Marsh	Rice	Thiede
Berkelman	Gustafson	McKasy	Riveness	Tomlinson
Bishop	Gutknecht	Minne	Rodosovich	Tunheim
Blatz	Halberg	Munger	Rodriguez, C.	Uphus
Brandl	Haukoos	Nelson, D.	Rodriguez, F.	Valan
Brinkman	Heap	Nelson, K.	Rose	Valento
Burger	Heinitz	Neuenschwander	Schafer	Vanasek
Carlson, D.	Himie	Norton	Scheid	Vellenga
Clark, J.	Hoberg	Ogren	Schoenfeld	Voss
Clawson	Hokr	Olsen	Schreiber	Waltman
Cohen	Jennings	Omann	Seaberg	Welker
Coleman	Jensen	Onnen	Segal	Welle
Dempey	Johnson	Osthoff	Shaver	Wenzel
DenOuden	Kahn	Otis	Shea	Wigley
Dimler	Kalis	Pauly	Sherman	Wynia
Eken	Kelly	Peterson	Simoneau	Zaffke
Elioff	Knickerbocker	Piepho	Skoglund	
Erickson	Knuth	Piper	Solberg	

Those who voted in the negative were:

Begich	Graba	McDonald	Murphy	Sarna
Carlson, L.	Hoffman	McEachern		
Clark, K.	Jacobs	Metzen		

The motion prevailed and the amendment was adopted.

Schreiber moved to amend H. F. No. 431, the first engrossment, as amended by the Welker amendment, as follows:

Page 2, line 14, after "funds in" and before "non-farm" insert "Minnesota situs"

Page 6, line 14, after "funds in" and before "non-farm" insert "Minnesota situs"

Page 7, line 17, after "funds in" and before "non-farm" insert "Minnesota situs"

Page 7, line 23, after "in" and before "non-farm" insert "Minnesota situs"

Amend the title:

Page 1, line 3, after "in" insert "Minnesota situs"

The motion prevailed and the amendment was adopted.

H. F. No. 431, A bill for an act relating to employment; encouraging public and private sector pension funds to invest in Minnesota situs non-farm real estate; permitting certain public funds to participate in real estate investments; amending Minnesota Statutes 1982, sections 69.77, subdivision 2; 354A.08; and 422A.05, subdivision 2c; proposing new law coded in Minnesota Statutes, chapter 356.

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 100 yeas and 26 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Eken	Kostohryz	Peterson	Simoneau
Anderson, G.	Elioff	Larsen	Piper	Skoglund
Anderson, R.	Ellingson	Long	Price	Solberg
Battaglia	Evans	Mann	Quinn	Sparby
Beard	Fjoslicn	Marsh	Quist	Staten
Begich	Graba	McEachern	Reif	Swanson
Bennett	Greenfield	McKasy	Rice	Tomlinson
Bergstrom	Gruenes	Metzen	Riveness	Tunheim
Berkelman	Gustafson	Minne	Rodosovich	Valan
Blatz	Halberg	Munger	Rodriguez, C.	Valento
Brandl	Himle	Murphy	Rodriguez, F.	Vanasek
Brinkman	Hoberg	Nelson, D.	Rose	Vellenga
Burger	Hoffman	Neuenschwander	Sarna	Voss
Carlson, D.	Hokr	Norton	Scheid	Waltman
Carlson, L.	Jacobs	O'Connor	Schoenfeld	Welch
Clark, J.	Jensen	Ogren	Schreiber	Welle
Clark, K.	Kahn	Olsen	Seaberg	Wenzel
Clawson	Kalis	Osthoff	Segal	Wigley
Cohen	Kelly	Otis	Shaver	Wynia
Coleman	Knuth	Pauly	Shea	Speaker Sieben

Those who voted in the negative were:

Bishop	Forsythe	Levi	Redalen	Welker
Dempsey	Gutknecht	Ludeman	Schafer	Zaffke
DenOuden	Haukoos	McDonald	Sherman	
Dimler	Jennings	Omann	Stadum	
Erickson	Johnson	Onnen	Thiede	
Findlay	Kvam	Piepho	Uphus	

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

H. F. No. 500 was reported to the House.

Vanasek moved that H. F. No. 500 be continued. 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. 365:

Clark, K.; Onnen and Greenfield.

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 90:

Skoglund; Rodriguez, C., and Schreiber.

ADJOURNMENT

Eken moved that when the House adjourns today it adjourn until 9:45 a.m., Tuesday, May 3, 1983. The motion prevailed.

Eken moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 9:45 a.m., Tuesday, May 3, 1983.

EDWARD A. BURDICK, Chief Clerk, House of Representatives

STATE OF MINNESOTA

SEVENTY-THIRD SESSION - 1983

FORTY-FIFTH DAY

SAINT PAUL, MINNESOTA, TUESDAY, MAY 3, 1983

The House of Representatives convened at 9:45 a.m. and was called to order by Harry A. Sieben, Jr., Speaker of the House.

Prayer was offered by Deacon John J. Salchert, St. Austin's Church, Minneapolis, Minnesota.

The roll was called and the following members were present:

Anderson, B.	Erickson	Knuth	Pauly	Skoglund
Anderson, C.	Evans	Kostohryz	Peterson	Solberg
Anderson, R.	Findlay	Krueger	Piepho	Sparby
Battaglia	Fjoslien	Kvam	Piper	Staten
Beard	Forsythe	Larsen	Price	Sviggum
Begich	Frerichs	Levi	Quinn	Swanson
Bennett	Graba	Long	Quist	Thiede
Bergstrom	Greenfield	Ludeman	Redalen	Tomlinson
Berkelman	Gruenes	Marsh	Reif	Tunheim
Bishop	Gustafson	McDonald	Rice	Uphus
Blatz	Gutknecht	McEachern	Riveness	Valan
Brandl	Halberg	McKasy	Rodosovich	Valento
Brinkman	Haukoos	Metzen	Rodriguez, C.	Vanasek
Burger	Heap	Minne	Rodriguez, F.	Vellenga
Carlson, D.	Heinitz	Munger	Rose	Voss
Carlson, L.	Himle	Murphy	St. Onge	Waltman
Clark, J.	Hoberg	Nelson, D.	Sarna	Welch
Clark, K.	Hoffman	Nelson, K.	Schafer	Welker
Clawson	Hokr	Neuenschwander	Scheid	Welle
Cohen	Jacobs	Norton	Schoenfeld	Wenzel
Coleman	Jennings	O'Connor	Schreiber	Wynia
Dempsey	Jensen	Ogren	Seaberg	Zaffke
DenOuden	Johnson	Olsen	Segal	Speaker Sieben
Dimler	Kahn	Omann	Shaver	
Eken	Kalis	Onnen	Shea	
Elioff	Kelly	Osthoff	Sherman	
Ellingson	Knickerbocker	Otis	Simoneau	

A quorum was present.

Mann, Stadum and Wigley were excused.

The Chief Clerk proceeded to read the Journal of the preceding day. Kvam 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. 360, 996, 1224, 294 and 431 and S. F. Nos. 366, 932, 1060, 1165, 1168, 473, 742, 879, 463, 934, 769, 892 and 201 have been placed in the members' files.

MESSAGES FROM THE SENATE

The following message was received from the Senate:

Mr. Speaker:

I hereby announce the adoption by the Senate of the following House Concurrent Resolution, herewith returned:

House Concurrent Resolution No. 4, A House Concurrent Resolution providing for a Joint Convention of the Senate and the House of Representatives to elect members of the Board of Regents of the University of Minnesota.

PATRICK E. FLAHAVER, Secretary of the Senate

NOTICE FOR SPECIAL ORDERS

Pursuant to House Rule 1.9 Knickerbocker gave notice that on Thursday, May 5, 1983, he would move to make the following bills a Special Order for 4:00 p.m., Thursday, May 5, 1983:

H. F. No. 938, A bill for an act relating to the city of Plymouth; giving the city the powers of a port authority; authorizing the city to form group workers compensation self-insurance pools pursuant to Minnesota Statutes, section 176.181.

S. F. No. 598, A bill for an act relating to insurance premium finance companies; authorizing finance charges based on the federal discount rate; amending Minnesota Statutes 1982, sections 59A.09, subdivisions 3, 4 and 6; and 59A.12, subdivisions 1 and 4.

H. F. No. 575, A bill for an act relating to state government; ratifying changes in the state employee bargaining unit composition schedule; ratifying state and University of Minnesota labor agreements, compensation plans, and plans for early retirement incentives; amending Minnesota Statutes 1982, section 179.741, subdivision 1, and by adding a subdivision.

H. F. No. 765, A bill for an act relating to insurance; permitting differing benefit payments for services by designated health

care providers; amending Minnesota Statutes 1982, section 72A.20, subdivision 15.

H. F. No. 1027, A bill for an act relating to insurance; covered claims under the insurance guaranty act; rulemaking power of commissioner on nonrenewal of auto insurance and self-insurance; application fee for self-insurers; amending Minnesota Statutes 1982, sections 60C.09, subdivision 1; 65B.17; and 65B.48, subdivision 3, and by adding a subdivision.

H. F. No. 429, A bill for an act relating to automobile insurance; prohibiting any right of subrogation on underinsurance claims; amending Minnesota Statutes 1982, section 65B.53, by adding a subdivision.

H. F. No. 735, A bill for an act relating to insurance; providing for certain unfair or deceptive acts or practices; prescribing penalties; amending Minnesota Statutes 1982, section 72A.20, by adding a subdivision; proposing new law coded in Minnesota Statutes, chapter 72A; repealing Minnesota Statutes 1982, section 72A.20, subdivision 12.

S. F. No. 263, A bill for an act relating to insurance; health and accident; providing reimbursement for the services of certain licensed and certified registered nurses on an equal basis with other licensed health professional services; amending Minnesota Statutes 1982, sections 62A.03, subdivision 1; and 62A.15.

H. F. No. 245, A bill for an act relating to the city of Duluth; authorizing group workers' compensation self insurance pools which include the city of Duluth and private employers.

H. F. No. 1106, A bill for an act relating to insurance; correcting certain errors; removing certain deficiencies and ambiguities; correcting certain omissions; expanding certain insurers' investment authority; providing standards for application or reporting requirements; authorizing the commissioner to adopt rules; providing for miscellaneous changes and clarifications; amending Minnesota Statutes 1982, sections 60A.11, subdivisions 9, 10, 14, 18, 20, 21, 23, and 24; 60A.111, subdivision 2, and by adding subdivisions; 61A.28, subdivisions 3, 6, and 12; 61A.29, subdivision 2; 61A.31, subdivision 3; repealing Minnesota Statutes 1982, section 60A.111, subdivision 4.

S. F. No. 591, A bill for an act relating to insurance; health and accident; prohibiting provider discrimination in insurance policies covering mental health services; amending Minnesota Statutes 1982, section 62A.152, by adding a subdivision.

Eken 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.

The Sergeant at Arms announced the arrival of the members of the Senate, and they were escorted to the seats reserved for them at the front of the Chamber.

JOINT CONVENTION

The Speaker of the House as President of the Joint Convention called the Joint Convention to order.

Prayer was offered by Deacon John J. Salchert, St. Austin's Church, Minneapolis, Minnesota.

The roll being called, the following Senators answered to their names: Adkins, Anderson and Belanger.

Senator Moe, R. D., moved that further proceedings of the roll call be dispensed with. The motion prevailed and a quorum was declared present.

The Sergeant at Arms announced the arrival of the Constitutional Officers of the State of Minnesota: Joan Anderson Growe, Secretary of State; Arne H. Carlson, State Auditor; Hubert H. Humphrey III, Attorney General and Marlene Johnson, Lieutenant Governor. The Constitutional Officers were escorted to the seats reserved for them.

The Sergeant at Arms announced the arrival of the Honorable Rudy Perpich, Governor of the State of Minnesota and his excellency, Alan E. Gotlieb, Ambassador of Canada and their guests. The Governor, the Ambassador, and their guests were escorted to the seats reserved for them at the rostrum and at the front of the Chamber.

Governor Rudy Perpich was presented to the Joint Convention by the President of the Joint Convention, the Honorable Harry A. Sieben, Jr.

ADDRESS BY THE AMBASSADOR

His excellency, Alan E. Gotlieb, Ambassador of Canada, was presented to the Joint Convention by Governor Rudy Perpich. The Ambassador addressed the members of the Joint Convention and their guests.

Following the address, Senator Moe, R. D., moved that the Joint Convention recess subject to the call of the Chair. The motion prevailed.

RECESS

RECONVENED

The Joint Convention reconvened and was called to order by the President.

McEachern and Pehler moved that the following be the procedure of this Joint Convention:

The report from members of the Senate Committee on Education and the House Committee on Education, pursuant to House Concurrent Resolution No. 4, shall submit a slate of one Congressional District member, two at-large members and one at-large student member on the Board of Regents of the University of Minnesota.

Nominations may be made from the floor of the Convention but the nominations shall be in the form of an amendment to the report as submitted by the members of the Senate Committee on Education and the House Committee on Education. Such amendment shall be in the form of striking a designated nominee's name and inserting the name of the proposed nominee.

The roll shall be called on the election of the four members on the Board of Regents of the University of Minnesota. The nominee for each seat receiving the highest number of votes shall be declared elected.

The motion prevailed and the report on procedure was adopted.

REPORT FROM MEMBERS OF THE SENATE COMMITTEE ON EDUCATION
AND HOUSE COMMITTEE ON EDUCATION

To the Honorable Harry A. Sieben, Jr., Speaker of the House of Representatives, as President of the Joint Convention of the Senate and House of Representatives meeting for the purpose of electing members of the Board of Regents of the University of Minnesota:

The members of the Senate Committee on Education and the House Committee on Education make the following report:

We recommend that the requirements contained in the provisions of Minnesota Statutes 1982, section 137.024 not apply until the first Monday in February of 1985 and that the legislature take action to effectuate the recommendation.

We have selected the following named persons as a slate of nominees for membership on the Board of Regents of the Uni-

versity of Minnesota, each to hold his or her respective office for the term specified from the first Monday of February, 1983:

David M. Lebedoff, Fifth Congressional District, Six Years

Charles F. McGuigan, At-Large, Six Years

Bernard S. Raskas, At-Large, Six Years

Wallace G. Hilke, At-Large Student Member, Six Years

We hereby submit the recommendation and the names of said persons in nomination for the offices and terms hereinbefore designated.

Respectfully submitted,

JAMES C. PEHLER, Chairman
Senate Education Committee

BOB MCEACHERN, Chairman
House Education Committee

McEachern and Pehler moved that the report from the members of the Senate Committee on Education and the House Committee on Education nominating four persons for membership on the Board of Regents of the University of Minnesota be adopted.

Jude moved to amend the report of the Senate Committee on Education and the House Committee on Education, as follows:

Delete lines 11 to 14

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

Representatives Long, Rose and Nelson, K., and Senators Spear, Willet and Luther moved pursuant to the procedure adopted by the Joint Convention to amend the report by deleting the name of Bernard S. Raskas and inserting the name of Wenda W. Moore.

A roll call having been requested and the roll being called, there were 110 yeas and 78 nays as follows:

Those who voted in the affirmative were:

SENATE ROLL CALL

Berglin

Bertram

Chmielewski

Davis

DeCramer

Dicklich	Kroening	Nelson	Pogemiller	Stumpf
Diessner	Langseth	Novak	Reichgott	Wegscheid
Dieterich	Lantry	Pehler	Renneke	Willet
Frank	Lessard	Peterson, C. C.	Samuelson	
Freeman	Luther	Peterson, D. C.	Schmitz	
Hughes	Moe, D. M.	Peterson, R. W.	Solon	
Johnson, D. J.	Moe, R. D.	Petty	Spear	

HOUSE OF REPRESENTATIVES ROLL CALL

Anderson, B.	Eken	Johnson	Pauly	Sparby
Anderson, G.	Ellingson	Kahn	Peterson	Staten
Beard	Erickson	Kelly	Piper	Swanson
Bergstrom	Findlay	Knickerbocker	Price	Tomlinson
Bishop	Forsythe	Knuth	Quinn	Tunheim
Brandl	Frerichs	Larsen	Redalen	Valan
Brinkman	Graba	Long	Reif	Valento
Burger	Greenfield	Marsh	Rice	Vanasek
Carlson, D.	Gutknecht	McDonald	Riveness	Welch
Carlson, L.	Halberg	Munger	Rodriguez, C.	Welker
Clark, J.	Heinitz	Nelson, D.	Rose	Welle
Clark, K.	Himle	Nelson, K.	Scheid	Wenzel
Clawson	Hoberg	Norton	Shea	Wynia
Coleman	Hoffman	Omman	Simoneau	Speaker Sieben
Dimier	Hokr	Otis	Skoglund	

Those who voted in the negative were:

SENATE ROLL CALL

Anderson	Brataas	Kamrath	McQuaid	Sieloff
Belanger	Frederick	Knaak	Mehrkens	Storm
Benson	Frederickson	Knutson	Olson	Taylor
Berg	Isackson	Kronebusch	Peterson, D. L.	Ulland
Bernhagen	Johnson, D. E.	Laidig	Ramstad	

HOUSE OF REPRESENTATIVES ROLL CALL

Anderson, R.	Fjoslien	Levi	Osthoff	Segal
Battaglia	Gruenes	Ludeman	Piepho	Shaver
Begich	Gustafson	McEachern	Quist	Sherman
Bennett	Haukoos	Metzen	Rodosovich	Solberg
Berkelman	Heap	Minne	Rodriguez, F.	Sviggum
Blatz	Jacobs	Murphy	St. Onge	Thiede
Cohen	Jennings	Neuenschwander	Sarna	Vellenga
Dempsey	Jensen	O'Connor	Schafer	Voss
DenOuden	Kalis	Ogren	Schoenfeld	Waltman
Elioff	Krueger	Olsen	Schreiber	Zaffke
Evans	Kvam	Onnen	Seaberg	

The motion prevailed and the amendment to the report was adopted.

The question recurred on the adoption of the report from the members of the Senate Committee on Education and the House Committee on Education nominating four persons for membership on the Board of Regents of the University of Minnesota, as amended. The motion prevailed and the report, as amended, was adopted.

McEachern and Pehler moved that nominations be closed. The motion prevailed.

Heinitz and Simoneau were excused from the remainder of the Joint Convention.

ELECTION OF BOARD OF REGENTS

The Secretary called the roll on the election.

188 members voted for David M. Lebedoff, Fifth Congressional District, for a six year term, as follows:

SENATE ROLL CALL

Adkins	Dicklich	Knutson	Nelson	Renneke
Anderson	Diessner	Kroening	Novak	Samuelson
Belanger	Dieterich	Kronebusch	Olson	Schmitz
Benson	Frank	Laidig	Pehler	Sisloff
Berg	Frederick	Langseth	Peterson, C. C.	Solon
Berglin	Frederickson	Lantry	Peterson, D. C.	Spear
Bernhagen	Freeman	Lessard	Peterson, D. L.	Storm
Bertram	Hughes	Luther	Peterson, R. W.	Stumpf
Brataas	Isackson	McQuaid	Petty	Taylor
Chmielewski	Johnson, D. E.	Mehrkens	Pogemiller	Ulland
Dahl	Johnson, D. J.	Merriam	Purfeerst	Waldorf
Davis	Kamrath	Moe, D. M.	Ramstad	Wegscheid
DeCramer	Knaak	Moe, R. D.	Reichgott	Willet

HOUSE OF REPRESENTATIVES ROLL CALL

Anderson, B.	Ellingson	Knickerbocker	Otis	Shea
Anderson, G.	Erickson	Knuth	Pauly	Sherman
Anderson, R.	Evans	Kostohryz	Peterson	Skoglund
Battaglia	Findlay	Krueger	Picpho	Solberg
Beard	Fjoslien	Kvam	Piper	Sparby
Begich	Forsythe	Larsen	Price	Staten
Bennett	Frerichs	Levi	Quinn	Swiggum
Bergstrom	Graba	Long	Quist	Swanson
Berkelman	Greenfield	Ludeman	Tordalen	Tomlinson
Bishop	Gruenes	Marsh	Reif	Tunheim
Blatz	Gustafson	McEachern	Rice	Valan
Brandl	Gutknecht	McKasy	Riveness	Valento
Brinkman	Halberg	Metzen	Rodosovich	Vanasek
Burger	Haukoos	Minne	Rodriguez, C.	Vellenga
Carlson, D.	Heap	Munger	Rodriguez, F.	Voss
Carlson, L.	Himle	Nelson, D.	Rose	Waltman
Clark, J.	Hoberg	Nelson, K.	St. Onge	Welch
Clark, K.	Hoffman	Neuenschwander	Sarna	Welker
Clawson	Jacobs	Norton	Schafer	Welle
Coben	Jennings	O'Connor	Scheid	Wenzel
Coleman	Jensen	Ogren	Schoenfeld	Wynia
Dempsey	Johnson	Olsen	Schreiber	Zaffke
Dimler	Kahn	Omann	Seaberg	Speaker Sieben
Eken	Kalis	Onnen	Segal	
Elioff	Kelly	Osthoff	Shaver	

167 members voted for Charles F. McGuiggan, At-Large, for a six year term, as follows:

SENATE ROLL CALL

Adkins	Diessner	Kronebusch	Pehler	Solon
Anderson	Dieterich	Langseth	Peterson, C. C.	Spear
Belanger	Frederick	Lantry	Peterson, D. C.	Storm
Benson	Frederickson	Lessard	Peterson, D. L.	Stumpf
Berg	Freeman	Luther	Peterson, R. W.	Taylor
Berglin	Hughes	McQuaid	Petty	Ulland
Bernhagen	Isackson	Mehrkens	Pogemiller	Waldorf
Bertram	Johnson, D. E.	Merriam	Purfeerst	Wegscheid
Brataas	Johnson, D. J.	Moe, D. M.	Reichgott	Willet
Chmielewski	Kamrath	Moe, R. D.	Renneke	
Davis	Knaak	Nelson	Samuelson	
DeCramer	Knutson	Novak	Schmitz	
Dicklich	Kroening	Olson	Sieloff	

HOUSE OF REPRESENTATIVES ROLL CALL

Anderson, B.	Evans	Kelly	Ollis	Skoglund
Anderson, G.	Findlay	Knuth	Pauly	Solberg
Anderson, R.	Fjoslien	Kostohryz	Peterson	Sparby
Battaglia	Forsythe	Kvam	Piper	Staten
Beard	Frerichs	Larsen	Price	Sviggum
Begich	Graba	Levi	Quinn	Swanson
Bergstrom	Greenfield	Long	Quist	Tomlinson
Berkelman	Gruenes	Ludeman	Redalen	Tunheim
Blatz	Custafson	Marsh	Reif	Uphus
Brandl	Cuiknecht	McEachern	Rice	Valan
Brinkman	Halberg	Metzen	Riveness	Vanasek
Carlson, L.	Heap	Minne	Rodosovich	Voss
Clark, J.	Himle	Munger	Rodriguez, C.	Waltman
Clawson	Hoberg	Murphy	Rodriguez, F.	Welch
Cohen	Hoffman	Nelson, D.	Rose	Welker
Coleman	Hokr	Nelson, K.	St. Onge	Welle
DenOuden	Jacobs	Neuenschwander	Schafer	Zafike
Dimler	Jennings	Norton	Scheid	Speaker Sieben
Eken	Jensen	O'Connor	Schoenfeld	
Elioff	Johnson	Ogren	Schreiber	
Ellingson	Kahn	Omapi	Shea	
Erickson	Kalis	Onnen	Sherman	

135 members voted for Wenda W. Moore, At-Large, for a six year term, as follows:

SENATE ROLL CALL

Berg	Frederick	Luther	Peterson, D. L.	Schmitz
Berglin	Freeman	Merriam	Peterson, R. W.	Solon
Dahl	Hughes	Moe, D. M.	Petty	Spear
Davis	Johnson, D. J.	Moe, R. D.	Pogemiller	Stumpf
DeCramer	Knutson	Nelson	Purfeerst	Vega
Dicklich	Kroening	Novak	Ramstad	Wegscheid
Diessner	Laidig	Pehler	Reichgott	Willet
Dieterich	Langseth	Peterson, C. C.	Renneke	
Frank	Lantry	Peterson, D. C.	Samuelson	

HOUSE OF REPRESENTATIVES ROLL CALL

Anderson, B.	Anderson, G.	Beard	Bergstrom	Bishop
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Brandl	Gruenes	Long	Quinn	Staten
Brinkman	Gustafson	Marsh	Redalen	Swanson
Burger	Gutknecht	McDonald	Reif	Tomlinson
Carlson, D.	Halberg	McEachern	Rice	Tunheim
Carlson, L.	Haukoos	McKasy	Riveness	Uphus
Clark, J.	Himle	Metzen	Rodriguez, C.	Valan
Clark, K.	Hoberg	Munger	Rodriguez, F.	Valento
Clawson	Hoffman	Nelson, D.	Rose	Vanasek
Coleman	Hokr	Nelson, K.	St. Onge	Vellenga
Dimler	Johnson	Norton	Sarna	Welch
Eken	Kahn	Olsen	Schafer	Welker
Ellingson	Kalis	Omamm	Scheid	Welle
Erickson	Kelly	Osthoff	Segal	Wenzel
Findlay	Knickerbocker	Otis	Shaver	Wynia
Forsythe	Knuth	Pauly	Shea	Speaker Sieben
Frerichs	Kostohryz	Peterson	Skoglund	
Graba	Krueger	Piper	Solberg	
Greenfield	Larsen	Price	Sparby	

187 members voted for Wallace G. Hilke, At-Large Student Member, for a six year term, as follows:

SENATE ROLL CALL

Adkins	Dicklich	Kroening	Novak	Sieloff
Anderson	Diessner	Kronebusch	Olson	Solon
Belanger	Dieterich	Laidig	Pehler	Spear
Benson	Frederick	Langseth	Peterson, C. C.	Storm
Berg	Frederickson	Lantry	Peterson, D. C.	Stumpf
Berglin	Freeman	Lessard	Peterson, D. L.	Taylor
Bernhagen	Hughes	Luther	Petty	Ulland
Bertram	Isackson	McQuaid	Pogemiller	Waldorf
Brataas	Johnson, D. E.	Mehrkens	Purfeerst	Wegscheid
Chmielewski	Johnson, D. J.	Merriam	Reichgott	Willet
Dahl	Kamrath	Moe, D. M.	Renneke	
Davis	Knaak	Moe, R. D.	Samuelson	
DeCramer	Knutson	Nelson	Schmitz	

HOUSE OF REPRESENTATIVES ROLL CALL

Anderson, B.	Elioff	Kelly	Omamm	Segal
Anderson, G.	Ellingson	Knickerbocker	Onnen	Shaver
Anderson, R.	Erickson	Knuth	Osthoff	Shea
Battaglia	Evans	Kostohryz	Otis	Sherman
Beard	Findlay	Krueger	Pauly	Skoglund
Begich	Fjoslien	Kvam	Peterson	Solberg
Bennett	Forsythe	Larsen	Piepho	Sparby
Bergstrom	Frerichs	Levi	Piper	Staten
Berkelman	Graba	Long	Price	Sviggum
Bishop	Greenfield	Ludeman	Quinn	Swanson
Blatz	Gruenes	Marsh	Quist	Thiede
Brandl	Gustafson	McDonald	Redalen	Tomlinson
Brinkman	Halberg	McEachern	Reif	Tunheim
Burger	Haukoos	McKasy	Rice	Uphus
Carlson, D.	Heap	Metzen	Riveness	Valan
Carlson, L.	Himle	Minne	Rodosovich	Valento
Clark, J.	Hoberg	Munger	Rodriguez, C.	Vanasek
Clark, K.	Hoffman	Murphy	Rodriguez, F.	Vellenga
Clawson	Hokr	Nelson, D.	Rose	Voss
Cohen	Jacobs	Nelson, K.	St. Onge	Welch
Coleman	Jennings	Neuenschwander	Sarna	Welker
Dempsey	Jensen	Norton	Schafer	Welle
DenOuden	Johnson	O'Connor	Scheid	Wynia
Dimler	Kahn	Ogren	Schoenfeld	Zafike
Eken	Kalis	Olsen	Seaberg	Speaker Sieben

83 members voted for Bernard S. Raskas, At-Large, for a six year term, as follows:

SENATE ROLL CALL

Adkins	Brataas	Kamrath	Mehrkens	Ulland
Anderson	Chmielewski	Knaak	Olson	Vega
Belanger	Dahl	Kronebusch	Ramstad	Waldorf
Benson	Frederickson	Laidig	Sieloff	
Bernhagen	Isackson	Lessard	Storm	
Bertram	Johnson, D. E.	McQuaid	Taylor	

HOUSE OF REPRESENTATIVES ROLL CALL

Anderson, R.	DenOuden	Levi	Piepho	Uphus
Battaglia	Elioff	Ludeman	Quist	Valento
Begich	Evans	McDonald	Rodosovich	Vellenga
Bennett	Fjoslien	McKasy	Sarna	Voss
Berkelman	Haukoos	Minne	Schoenfeld	Waltman
Bishop	Heap	Murphy	Schreiber	Wenzel
Blatz	Jacobs	Neuenschwander	Seaberg	Wynia
Burger	Jennings	O'Connor	Segal	Zaffke
Carlson, D.	Jensen	Ogren	Shaver	
Clark, K.	Knickerbocker	Olsen	Sherman	
Cohen	Krueger	Onnen	Sviggum	
Dempsey	Kvam	Osthoff	Thiede	

Two members voted for Michael W. Unger, At-Large Student Member, for a six year term, as follows: Senator Ramstad and Representative Wenzel.

Two members voted for Shirlie Lundgren, Fifth Congressional District, for a six year term, as follows: Representatives Hokr and McDonald.

Two members voted for Brian A. Majerus, At-Large Student Member, for a six year term, as follows: Representatives Gutknecht and Waltman.

One member voted for Paul O. Salazar, At-Large, for a six year term, as follows: Senator Vega.

McEachern and Pehler moved that the roll be closed. The motion prevailed.

DECLARATION OF ELECTION

David M. Lebedoff, Fifth Congressional District, six years; Charles F. McGuiggan, At-Large, six years; Wenda W. Moore, At-Large, six years; and Wallace G. Hilke, At-Large Student Member, six years; having received the largest number of votes at the Joint Convention were declared by the President of the Joint Convention to be elected to the Board of Regents of the University of Minnesota for terms ending the first Monday of February, 1989.

Moe, R. D., moved that the Joint Convention arise. The motion prevailed and the President declared the Joint Convention adjourned.

RECONVENED

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

ADJOURNMENT

Eken moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 2:00 p.m., Wednesday, May 4, 1983.

EDWARD A. BURDICK, Chief Clerk, House of Representatives

STATE OF MINNESOTA

SEVENTY-THIRD SESSION - 1983

FORTY-SIXTH DAY

SAINT PAUL, MINNESOTA, WEDNESDAY, MAY 4, 1983

The House of Representatives convened at 2:00 p.m. and was called to order by Harry A. Sieben, Jr., Speaker of the House.

Prayer was offered by Lynn Anne Silva, Senior Seminarian at Luther, Northwestern Seminary, St. Paul, Minnesota.

The roll was called and the following members were present:

Anderson, B.	Evans	Kostohryz	Pauly	Skoglund
Anderson, G.	Findlay	Krueger	Peterson	Solberg
Anderson, R.	Fjoslien	Kvam	Piepho	Sparby
Battaglia	Forsythe	Larsen	Piper	Stadum
Beard	Frerichs	Levi	Price	Staten
Begich	Graba	Long	Quinn	Sviggum
Bennett	Greenfield	Ludeman	Quist	Swanson
Bergstrom	Gruenes	Mann	Redalen	Thiede
Berkelman	Gustafson	Marsh	Reif	Tomlinson
Bishop	Gutknecht	McDonald	Rice	Tunheim
Blatz	Halberg	McEachern	Riveness	Uphus
Brinkman	Haukoos	McKasy	Rodosovich	Valan
Burger	Heap	Metzen	Rodriguez, C.	Valento
Carlson, D.	Heinitz	Minne	Rodriguez, F.	Vanasek
Carlson, L.	Himle	Munger	Rose	Voss
Clark, J.	Hoberg	Murphy	St. Onge	Waltman
Clark, K.	Hoffman	Nelson, D.	Sarna	Welch
Clawson	Hokr	Nelson, K.	Schafer	Welker
Cohen	Jacobs	Neuenschwander	Scheid	Welle
Coleman	Jennings	Norton	Schoenfeld	Wenzel
Dempsey	Jensen	O'Connor	Schreiber	Wigley
DenOuden	Johnson	Ogren	Seaberg	Wynia
Dimler	Kahn	Olsen	Segal	Zaffke
Eken	Kalis	Omann	Shaver	Speaker Sieben
Elioff	Kelly	Onnen	Shea	
Ellingson	Knickerbocker	Osthoff	Sherman	
Erickson	Knuth	Otis	Simoneau	

A quorum was present.

Vellenga was excused until 2:30 p.m. Brandl was excused until 5:10 p.m.

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

S. F. No. 463 and H. F. No. 520, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Cohen moved that S. F. No. 463 be substituted for H. F. No. 520 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 932 and H. F. No. 763, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Ellingson moved that S. F. No. 932 be substituted for H. F. No. 763 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1168 and H. F. No. 1027, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Ellingson moved that the rules be so far suspended that S. F. No. 1168 be substituted for H. F. No. 1027 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1165 and H. F. No. 886, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Schreiber moved that the rules be so far suspended that S. F. No. 1165 be substituted for H. F. No. 886 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 742 and H. F. No. 655, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Clawson moved that the rules be so far suspended that S. F. No. 742 be substituted for H. F. No. 655 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 769 and H. F. No. 790, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Ellingson moved that the rules be so far suspended that S. F. No. 769 be substituted for H. F. No. 790 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 892 and H. F. No. 1033, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Berkelman moved that the rules be so far suspended that S. F. No. 892 be substituted for H. F. No. 1033 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 3, 1983

The Honorable Harry A. Sieben, Jr.
Speaker of the House
276 State Office Building
St. Paul, Minnesota 55155

Dear Speaker Sieben:

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

H. F. No. 516, relating to the City of Montevideo; giving it certain powers of a statutory city.

H. F. No. 838, relating to transportation; conforming with federal requirements allowing a state authority to exercise jurisdiction over intrastate transportation provided by rail carrier.

Sincerely,

RUDY PERPICH
Governor

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

May 3, 1983

The Honorable Harry A. Sieben, Jr.
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 1983 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>Date Approved 1983</i>	<i>Date Filed 1983</i>
115		76	May 3	May 3
	838	77	May 3	May 3
	516	78	May 3	May 3

Sincerely,

JOAN ANDERSON GROWE
Secretary of State

REPORTS OF STANDING COMMITTEES

Anderson, G., from the Committee on Local and Urban Affairs to which was referred:

H. F. No. 648, A bill for an act relating to housing; prohibiting certain rent control ordinances in cities, counties, and towns; proposing new law coded in Minnesota Statutes, chapter 471.

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

The report was adopted.

Rice from the Committee on Appropriations to which was referred:

S. F. No. 372, 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 recommendation that the bill pass.

The report was adopted.

Rice from the Committee on Appropriations to which was referred:

S. F. No. 1198, A bill for an act relating to state government; providing for deficiencies in appropriations for the expenses of state government with certain conditions; appropriating money.

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

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. No. 648 was read for the second time.

SECOND READING OF SENATE BILLS

S. F. Nos. 463, 932, 1168, 1165, 742, 769, 892, 372 and 1198 were read for the second time.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House Files were introduced:

Clark, J.; Greenfield and Onnen introduced:

H. F. No. 1276, A bill for an act relating to public welfare; providing for local level coordination of chemical dependency, mental retardation, and mental health services through area councils; transferring money; amending Minnesota Statutes 1982, sections 245.61; 245.63; 245.66; 245.69, subdivision 1; 245.711, subdivision 1; 245.713, subdivision 1; 245.716, subdivision 2; 245.73, subdivision 1; 252.27, subdivision 2; 256E.03, subdivision 2; 256E.06, subdivision 2; 256E.09, subdivision 3; and 256E.12, subdivisions 1 and 3; proposing new law coded as Minnesota Statutes, chapter 245A; repealing Minnesota Statutes 1982, sections 245.64; 245.711, subdivision 2; 245.712, subdivision 1; 245.713, subdivisions 2 and 3; 245.716, subdivisions 1 and 3; and 256E.08, subdivision 9.

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

Heap, Knickerbocker, Hokr and Shaver introduced :

H. F. No. 1277, A bill for an act relating to taxation; income; adopting federal income tax treatment of certain retirement plans; amending Minnesota Statutes 1982, section 290.01, subdivisions 20a, as amended and 20b, as amended.

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

Heap, Heinitz, Olsen and Himle introduced :

H. F. No. 1278, A bill for an act relating to taxation; income; providing a separate rate schedule for income from an S corporation; amending Minnesota Statutes 1982, section 290.06, subdivision 2c.

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

Levi; Clark, J.; Kelly; Forsythe and Vanasek introduced :

H. F. No. 1279, A bill for an act relating to crimes; providing for the admissibility of certain sexual abuse victims' statements as evidence; defining the crime of indecent liberties; increasing the age limits of minor victims in the definitions of criminal sexual conduct offenses; clarifying responsibility for payment of costs of medical examinations of criminal sexual conduct or intrafamilial sexual abuse victims; amending Minnesota Statutes 1982, sections 595.02; 609.342; 609.343; 609.344; 609.345; 609.346; and 609.35; proposing new law coded in Minnesota Statutes, chapter 609.

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

Munger; Mann; Carlson, D.; Battaglia and Erickson introduced :

H. F. No. 1280, A bill for an act relating to transportation; establishing a railroad passenger service study commission to study the feasibility and potential of expanded railroad passenger service within the state.

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

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. 194, A bill for an act relating to labor; creating an exemption from state minimum wage for certain live-in child care county employees; amending Minnesota Statutes 1982, section 177.23, subdivision 7.

H. F. No. 403, A bill for an act relating to taxation; providing a special levy for operating costs of a county jail; amending Minnesota Statutes 1982, section 275.50, subdivision 5.

H. F. No. 758, A bill for an act relating to mining; extending the time period within which certain idle open pit mines must be fenced; amending Minnesota Statutes 1982, section 180.03, subdivision 2.

H. F. No. 1101, A bill for an act relating to natural resources; authorizing the commissioner to sell to or exchange surplus tree planting stock with other states and the federal government under certain circumstances; amending Minnesota Statutes 1982, section 89.36, by adding a subdivision.

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. 490, A bill for an act relating to public welfare; setting standards for determining the county of financial responsibility for purposes of medical assistance, community social services, and supplemental aid; amending Minnesota Statutes 1982, sections 256B.02, subdivisions 2 and 3; 256D.37, by adding a subdivision; and 256E.08, subdivision 7.

H. F. No. 694, A bill for an act relating to Ramsey County; providing for the membership, terms, and procedures of the medical center commission; amending Minnesota Statutes 1982, section 383A.41, subdivisions 2, 3, and 4.

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. 859, A bill for an act relating to the military; redefining categories of service; restricting state liability for workers' compensation claims, tort claims, and special compensation payments; clarifying applicability of state's uniform code of military justice; reenacting the authority of the adjutant general to repair regimental battle flags; amending Minnesota Statutes 1982, sections 3.732, subdivision 1; 176.011, subdivision 9; 190.-05, subdivision 5, and by adding subdivisions; 192.38; 192A.015; and 192A.02, subdivision 1; proposing new law coded in Minnesota Statutes, chapter 190.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Kostohryz moved that the House concur in the Senate amendments to H. F. No. 859 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 859, A bill for an act relating to the military; redefining categories of service; restricting state liability for workers' compensation claims, tort claims, and special compensation payments; clarifying applicability of state's uniform code of military justice; reenacting the authority of the adjutant general to repair regimental battle flags; amending Minnesota Statutes 1982, sections 3.732, subdivision 1; 176.011, subdivision 9; 190.-05, subdivision 5, and by adding subdivisions; 192.38; 192A.015; and 192A.02, subdivision 1; proposing new law coded in Minnesota Statutes, chapter 190.

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:

Anderson, B.	Blatz	Dempsey	Forsythe	Heinitz
Anderson, G.	Brinkman	DenOuden	Frerichs	Himle
Anderson, R.	Burger	Dimler	Graba	Hoberg
Battaglia	Carlson, D.	Eken	Greenfield	Hoffman
Beard	Carlson, L.	Elioff	Gruenes	Hokr
Begich	Clark, J.	Ellingson	Gustafson	Jacobs
Bennett	Clark, K.	Erickson	Gutknecht	Jennings
Bergstrom	Clawson	Evans	Halberg	Johnson
Berkelman	Cohen	Findlay	Haukoos	Ka'an
Bishop	Coleman	Fjoslien	Heap	Kalis

Kelly	Minne	Piepho	Scheid	Thiede
Knickerbocker	Munger	Piper	Schoenfeld	Tomlinson
Knuth	Murphy	Price	Schreiber	Tunheim
Kostohryz	Nelson, D.	Quinn	Seaberg	Uphus
Krueger	Nelson, K.	Quist	Segal	Valan
Kvam	Neuenschwander	Redalen	Shaver	Valento
Larsen	Norton	Reif	Shea	Vanasek
Levi	O'Connor	Rice	Sherman	Voss
Long	Ogren	Riveness	Simoneau	Waltman
Ludeman	Olsen	Rodosovich	Skoglund	Welch
Mann	Ormann	Rodriguez, C.	Solberg	Welker
Marsh	Onnen	Rodriguez, F.	Sparby	Wenzel
McDonald	Osthoff	Rose	Stadum	Wigley
McEachern	Otis	St. Onge	Staten	Wynia
McKasy	Pauly	Sarna	Sviggum	Zaffke
Metzen	Peterson	Schafer	Swanson	Speaker Sieben

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. 1006, A bill for an act relating to intoxicating liquor; authorizing a city to authorize an on-sale licensee to dispense liquor at events held in facilities of the metropolitan sports facilities commission; amending Minnesota Statutes 1982, section 340.11, subdivision 11c.

PATRICK E. FLAHAVER, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Riveness moved that the House concur in the Senate amendments to H. F. No. 1006 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 1006, A bill for an act relating to intoxicating liquor; authorizing a city to authorize an on-sale licensee to dispense liquor at events held in facilities of the metropolitan sports facilities commission; amending Minnesota Statutes 1982, section 340.11, subdivision 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 118 yeas and 13 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Fjoslien	Kvam	Peterson	Simoneau
Anderson, G.	Forsythe	Larsen	Piepho	Skoglund
Anderson, R.	Graba	Levi	Piper	Solberg
Battaglia	Greenfield	Long	Price	Sparby
Beard	Gruenes	Ludeman	Quinn	Stadium
Begich	Gustafson	Mann	Quist	Staten
Bennett	Gutknecht	Marsh	Redalen	Swanson
Bergstrom	Halberg	McEachern	Rice	Tomlinson
Berkelman	Heap	McKasy	Rivness	Tunheim
Bishop	Heinitz	Metzen	Rodosovich	Uphus
Blatz	Himle	Minne	Rodriguez, C.	Valan
Brinkman	Hoberg	Munger	Rodriguez, F.	Valento
Burger	Hoffman	Murphy	Rose	Vanasek
Carlson, L.	Hokr	Nelson, D.	St. Onge	Vellenga
Clark, J.	Jacobs	Nelson, K.	Sarna	Voss
Clark, K.	Jennings	Neuenschwander	Scheid	Welch
Clawson	Jensen	Norton	Schoenfeld	Welle
Cohen	Johnson	O'Connor	Schreiber	Wenzel
Coleman	Kahn	Ogren	Seaberg	Wigley
Eken	Kalis	Olsen	Segal	Wynia
Elioff	Knickerbocker	Omann	Shaver	Zaffke
Ellingson	Knuth	Osthoff	Shea	Speaker Sieben
Evans	Kostohryz	Otis	Sherman	
Findlay	Krueger	Pauly		

Those who voted in the negative were:

Carlson, D.	Erickson	Kelly	Swiggum	Welker
DenOuden	Frerichs	Onnen	Thiede	
Dimler	Haukoos	Schafer	Waltman	

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. 987, A bill for an act relating to public utilities; providing for additional investment authority of bond proceeds; amending Minnesota Statutes 1982, section 216B.49, by adding a subdivision.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Bergstrom moved that the House concur in the Senate amendments to H. F. No. 987 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 987, A bill for an act relating to public utilities; providing for additional investment authority of bond proceeds;

amending Minnesota Statutes 1982, section 216B.49, 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:

Anderson, B.	Evans	Krueger	Peterson	Sparby
Anderson, G.	Findlay	Kvam	Piepho	Stadium
Anderson, R.	Fjoslien	Larsen	Piper	Staten
Battaglia	Forsythe	Levi	Price	Sviggum
Beard	Frerichs	Long	Quinn	Swanson
Begich	Craba	Ludeman	Quist	Thiede
Bennett	Greenfield	Mann	Redalen	Tomlinson
Bergstrom	Gruenes	Marsh	Reif	Tunheim
Berkelman	Gustafson	McDonald	Riveness	Uppus
Bishop	Gutknecht	McEachern	Rodosovich	Valan
Blatz	Halberg	McKasy	Rodriguez, C.	Valento
Brinkman	Haukoos	Metzen	Rodriguez, F.	Vanasek
Burger	Heap	Minne	Rose	Vellenga
Carlson, D.	Heinitz	Munger	St. Onge	Voss
Carlson, L.	Himle	Murphy	Sarna	Waltman
Clark, J.	Hoberg	Nelson, D.	Schafer	Welch
Clark, K.	Hoffman	Nelson, K.	Scheid	Welker
Clawson	Jacobs	Neuenschwander	Schoenfeld	Welle
Cohen	Jennings	Norton	Schreiber	Wenzel
Coleman	Jensen	O'Connor	Seaberg	Wigley
Dempsey	Johnson	Ogren	Segal	Wynia
DenOuden	Kahn	Olsen	Shaver	Zaffke
Dimler	Kalis	Omann	Shea	Speaker Sieben
Eken	Kelly	Onnen	Sherman	
Elioff	Knickerbocker	Osthoff	Simoneau	
Ellingson	Knuth	Otis	Skoglund	
Erickson	Kostohryz	Pauly	Solberg	

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. 958, A bill for an act relating to long term care; requiring the commissioners of health and public welfare to prepare a report to the legislature.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Rodosovich moved that the House concur in the Senate amendments to H. F. No. 958 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 958, A bill for an act relating to long term care; requiring the commissioners of health and public welfare to prepare a report to the legislature.

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:

Anderson, B.	Evans	Knuth	Osthoff	Simoneau
Anderson, G.	Findlay	Kostohryz	Otis	Skoglund
Anderson, R.	Fjoslien	Krueger	Pauly	Solberg
Battaglia	Forsythe	Kvam	Piepho	Sparby
Beard	Frerichs	Larsen	Piper	Stadum
Begich	Graba	Levi	Price	Staten
Bennett	Greenfield	Long	Quinn	Sviggum
Bergstrom	Gruenes	Ludeman	Quist	Swanson
Berkelman	Gustafson	Mann	Redalen	Thiede
Bishop	Gutknecht	Marsh	Reif	Tomlinson
Blatz	Halberg	McDonald	Rice	Tunheim
Brinkman	Haukoos	McEachern	Riveness	Uphus
Burger	Heap	McKasy	Rodosovich	Valan
Carlson, D.	Heinitz	Metzen	Rodriguez, C.	Valento
Carlson, L.	Himle	Minne	Rodriguez, F.	Vanasek
Clark, J.	Hoberg	Munger	Rose	Vellenga
Clark, K.	Hoffman	Murphy	St. Onge	Waltman
Clawson	Hokr	Nelson, D.	Sarna	Welch
Cohen	Jacobs	Nelson, K.	Schafer	Welker
Coleman	Jennings	Neuenschwander	Scheid	Welle
Dempsey	Jensen	Norton	Schreiber	Wenzel
DenOuden	Johnson	O'Connor	Seaberg	Wigley
Dimler	Kahn	Ogren	Segal	Wynia
Eken	Kalis	Olsen	Shaver	Zaffke
Elioff	Kelly	Omann	Shea	Speaker Sieben
Erickson	Knickerbocker	Onnen	Sherman	

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. 584, A bill for an act relating to commerce; regulating the consignment of works of art; specifying the rights

and duties of consignors and consignees; defining terms; proposing new law coded as Minnesota Statutes, chapter 324.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Murphy moved that the House concur in the Senate amendments to H. F. No. 584 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 584, A bill for an act relating to commerce; regulating the consignment of works of art; specifying the rights and duties of consignors and consignees; defining terms; proposing new law coded as Minnesota Statutes, chapter 324.

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 114 yeas and 13 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Elioff	Krueger	Pauly	Simoneau
Anderson, G.	Ellingson	Kvam	Peterson	Skoglund
Anderson, R.	Evans	Larsen	Piepho	Solberg
Battaglia	Findlay	Levi	Piper	Sparby
Beard	Fjoslien	Long	Price	Stadum
Begich	Gruenes	Mann	Quinn	Staten
Bennett	Gustafson	Marsh	Redalen	Swanson
Bergstrom	Gutknecht	McEachern	Reif	Thiede
Berkelman	Halberg	McKasy	Rice	Tomlinson
Bishop	Heap	Metzen	Riveness	Tunheim
Blatz	Heinitz	Minne	Rodosovich	Valan
Brinkman	Himle	Munger	Rodriguez, C.	Valento
Burger	Hoberg	Murphy	Rodriguez, F.	Vanasek
Carlson, D.	Hoffman	Nelson, D.	Rose	Vellenga
Carlson, L.	Jacobs	Nelson, K.	St. Onge	Voss
Clark, J.	Jensen	Neuenschwander	Sarna	Waltman
Clark, K.	Johnson	Norton	Scheid	Welch
Clawson	Kahn	O'Connor	Schoenfeld	Welle
Cohen	Kalis	Ogren	Schreiber	Wenzel
Coleman	Kelly	Olsen	Seaberg	Wigley
Dempsey	Knickerbocker	Onnen	Shaver	Wynia
Dimler	Knuth	Osthoff	Shea	Speaker Sieben
Eken	Kostohryz	Otis	Sherman	

Those who voted in the negative were:

DenOuden	Haukoos	Omann	Sviggum	Zaffke
Erickson	Jennings	Quist	Uphus	
Frerichs	Ludeman	Schafer	Welker	

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. 588, A bill for an act relating to the North Suburban Hospital District; providing for adjustment of terms of office; changing filing dates for candidates for the hospital board.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Simoneau moved that the House concur in the Senate amendments to H. F. No. 588 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 588, A bill for an act relating to the North Suburban Hospital District; providing for adjustment of terms of office; changing filing dates for candidates for the hospital board.

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:

Anderson, B.	Evans	Kostohryz	Pauly	Solberg
Anderson, G.	Findlay	Krueger	Peterson	Sparby
Anderson, R.	Fjoslien	Kvam	Piepho	Stadum
Battaglia	Forsythe	Larsen	Piper	Staten
Beard	Frerichs	Levi	Price	Sviggum
Begich	Graba	Long	Quinn	Swanson
Bennett	Greenfield	Ludeman	Quist	Thiede
Bergstrom	Grueses	Mann	Redalen	Tomlinson
Berkelman	Gustafson	Marsh	Reif	Tunheim
Bishop	Gutknecht	McDonald	Rice	Uphus
Blatz	Halberg	McEachern	Riveness	Valan
Brinkman	Haukoos	McKasy	Rodosovich	Valento
Burger	Heap	Metzen	Rodriguez, C.	Vanasek
Carlson, D.	Heinitz	Minne	Rodriguez, F.	Vellenga
Carlson, L.	Himle	Munger	Rose	Waltman
Clark, J.	Hoberg	Murphy	St. Onge	Welch
Clark, K.	Hoffman	Nelson, D.	Sarna	Welker
Clawson	Hokr	Nelson, K.	Schafer	Welle
Cohen	Jacobs	Neuenschwander	Scheid	Wenzel
Coleman	Jennings	Norton	Schreiber	Wigley
Dempsey	Jensen	O'Connor	Seaberg	Wynia
DenOuden	Johnson	Ogren	Segal	Zaffke
Dimler	Kahn	Olsen	Shaver	Speaker Sieben
Eken	Kalis	Omann	Shea	
Elioff	Kelly	Onnen	Sherman	
Ellingson	Knickerbocker	Osthoff	Simoneau	
Erickson	Knuth	Otis	Skoglund	

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. 462, A bill for an act relating to St. Louis County; limiting compensation of elected county officers.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Begich moved that the House concur in the Senate amendments to H. F. No. 462 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 462, A bill for an act relating to St. Louis County; limiting compensation of elected county officers; providing that the county board set the fees for tax search certificates; providing for reimbursement of certain expenses of county commissioners; allowing the county board to designate a clerk other than the auditor; amending Laws 1951, chapter 391, section 2; Laws 1955, chapter 633, section 1, subdivision 2, as amended; and Laws 1959, chapter 301, section 1, 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 123 yeas and 3 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Dempsey	Heap	Levi	Omann
Anderson, G.	DenOuden	Heinitz	Long	Onnen
Anderson, R.	Dimler	Himle	Ludeman	Otis
Battaglia	Eken	Hoberg	Mann	Pauly
Beard	Elioff	Hoffman	Marsh	Peterson
Begich	Ellingson	Hokr	McDonald	Piepho
Bergstrom	Erickson	Jacobs	McEachern	Piper
Bishop	Evans	Jennings	McKasy	Price
Blatz	Findlay	Jensen	Metzen	Quinn
Brinkman	Fjoslien	Johnson	Minne	Quist
Burger	Forsythe	Kalis	Murphy	Redalen
Carlson, D.	Frerichs	Kelly	Nelson, D.	Reif
Carlson, L.	Graba	Knickerbocker	Nelson, K.	Rice
Clark, J.	Greenfield	Knuth	Neuenschwander	Riveness
Clark, K.	Gruenes	Kostohryz	Norton	Rodosovich
Clawson	Gutknecht	Krueger	O'Connor	Rodriguez, C.
Cohen	Halberg	Kvam	Ogren	Rodriguez, F.
Coleman	Haukoos	Larsen	Olsen	Rose

St. Onge	Shaver	Stadum	Uphus	Wenzel
Sarna	Shea	Staten	Valan	Wigley
Schafer	Sherman	Sviggum	Valento	Wynia
Scheid	Simoneau	Swanson	Vanasek	Zaffke
Schreiber	Skoglund	Thiede	Waltman	Speaker Sieben
Seaberg	Solberg	Tomlinson	Welch	
Segal	Sparby	Tunheim	Welle	

Those who voted in the negative were:

Berkelman	Munger	Osthoff
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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. 318, A bill for an act relating to local government; regulating kinds of and charges for water and sewer facilities and services; amending Minnesota Statutes 1982, section 444.075, subdivisions 1 and 3.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Riveness moved that the House concur in the Senate amendments to H. F. No. 318 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 318, A bill for an act relating to local government; regulating kinds of and charges for water and sewer facilities and services; amending Minnesota Statutes 1982, section 444.075, subdivisions 1 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 130 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Bennett	Burger	Coleman	Erickson
Anderson, G.	Bergstrom	Carlson, L.	DenOuden	Evans
Anderson, R.	Berkelman	Clark, J.	Dimler	Findlay
Battaglia	Bishop	Clark, K.	Eken	Fjoslien
Beard	Blatz	Clawson	Elioff	Forsythe
Begich	Brinkman	Cohen	Ellingson	Frerichs

Graba	Knickerbocker	Neuenschwander	Rodosovich	Sviggum
Greenfield	Knuth	Norton	Rodriguez, C.	Swanson
Gruenes	Kostohryz	O'Connor	Rodriguez, F.	Thiede
Gustafson	Krueger	Ogren	Rose	Tomlinson
Gutknecht	Kvam	Olsen	St. Onge	Tunheim
Halberg	Larsen	Omann	Sarna	Uphus
Haukoos	Levi	Onnen	Schafer	Valan
Heap	Long	Osthoff	Scheid	Valento
Heinitz	Ludeman	Otis	Schoenfeld	Vanasek
Himle	Mann	Pauly	Schreiber	Vellenga
Hoberg	Marsh	Peterson	Seaberg	Voss
Hoffman	McDonald	Piepho	Segal	Waltman
Hokr	McEachern	Piper	Shaver	Welch
Jacobs	McKasy	Price	Shea	Welker
Jennings	Metzen	Quinn	Sherman	Welle
Jensen	Minne	Quist	Skoglund	Wenzel
Johnson	Munger	Redalen	Solberg	Wigley
Kahn	Murphy	Reif	Sparby	Wynia
Kalis	Nelson, D.	Rice	Stadum	Zaffke
Kelly	Nelson, K.	Riveness	Staten	Speaker Sieben

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. 725, A bill for an act relating to transportation; classifying right-of-way appraisals as confidential data; regulating the conveyancing and leasing of certain rights-of-way; providing that the consideration to be paid upon reconveyance be equal to the estimated current market value of the property reconveyed; authorizing the acquisition of fee title under certain conditions; authorizing the lease of certain easements and providing for the distribution of rents; providing for the alteration of public drainage systems affecting trunk highways; authorizing fees for and the services of a licensed real estate broker for disposing of right-of-way; authorizing the commissioner to convey land to a utility under certain circumstances; amending Minnesota Statutes 1982, sections 13.50, subdivision 1; 161.202, subdivision 4; 161.241, subdivision 4; 161.28, subdivision 1; 161.43; 161.44, subdivisions 2 and 9, and by adding a subdivision; 161.46, subdivision 4; and proposing new law coded in Minnesota Statutes, chapter 161.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Kalis moved that the House concur in the Senate amendments to H. F. No. 725 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 725, A bill for an act relating to transportation; classifying right-of-way appraisals as confidential data; regulating the conveyancing and leasing of certain rights-of-way; providing that the consideration to be paid upon reconveyance be equal to the estimated current market value of the property reconveyed; authorizing the acquisition of fee title under certain conditions; authorizing the lease of certain easements and providing for the distribution of rents; providing for the alteration of public drainage systems affecting trunk highways; authorizing fees for and the services of a licensed real estate broker for disposing of right-of-way; authorizing the commissioner to convey land to a utility under certain circumstances; amending Minnesota Statutes 1982, sections 13.50, subdivision 1; 161.202, subdivision 4; 161.241, subdivisions 3 and 4; 161.28, subdivision 1; 161.43; 161.44, subdivisions 2 and 9, and by adding a subdivision; 161.46, subdivision 4; and proposing new law coded in Minnesota Statutes, chapter 161.

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 1 nay as follows:

Those who voted in the affirmative were:

Anderson, B.	Findlay	Kostohryz	Otis	Simoneau
Anderson, G.	Fjoslien	Krueger	Pauly	Skoglund
Anderson, R.	Forsythe	Kvam	Peterson	Solberg
Battaglia	Freichs	Larsen	Piepho	Sparby
Beard	Graba	Levi	Piper	Stadum
Begich	Greenfield	Long	Price	Staten
Bennett	Gruenes	Ludeman	Quinn	Sviggun
Bergstrom	Gustafson	Mann	Quist	Swanson
Berkelman	Gutknecht	Marsh	Redalen	Thiede
Bishop	Halberg	McDonald	Reif	Tomlinson
Blatz	Haukoos	McEachern	Rice	Tunheim
Brinkman	Heap	McKasy	Riveness	Uphus
Burger	Heinitz	Metzen	Rodosovich	Valan
Carlson, L.	Hirle	Minne	Rodriguez, C.	Valento
Clark, J.	Hoberg	Munger	Rodriguez, F.	Vanasek
Clawson	Hoffman	Murphy	Rose	Vellenga
Cohen	Hokr	Nelson, D.	St. Onge	Voss
Coleman	Jacobs	Nelson, K.	Sarna	Waltman
Dempsey	Jennings	Neuenschwander	Scheid	Welch
DenOuden	Jensen	Norton	Schoenfeld	Welle
Dimler	Johnson	O'Connor	Schreiber	Wenzel
Eken	Kahn	Ogren	Seaberg	Wigley
Elioff	Kalis	Olsen	Segal	Wynia
Ellingson	Kelly	Omann	Shaaver	Zaffke
Erickson	Knickerbocker	Onnen	Shea	Speaker Sieben
Evans	Knuth	Osthoff	Sherman	

Those who voted in the negative were:

Welker

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. 482, A bill for an act relating to open meetings; requiring availability of certain materials; prescribing penalties; amending Minnesota Statutes 1982, section 471.705, subdivision 2; and by adding a subdivision.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Wynia moved that the House concur in the Senate amendments to H. F. No. 482 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 482, A bill for an act relating to open meetings; requiring availability of certain materials; prescribing penalties; amending Minnesota Statutes 1982, section 471.705, 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 33 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Evans	Krueger	Pauly	Shaver
Battaglia	Forsythe	Larsen	Peterson	Sherman
Beard	Graba	Long	Piper	Simoneau
Begich	Greenfield	McEachern	Price	Skoglund
Bennett	Gruenes	McKasy	Quinn	Solberg
Bergstrom	Gustafson	Metzen	Quist	Sparby
Berkelman	Gutknecht	Minne	Reif	Staten
Bishop	Heap	Munger	Rice	Swanson
Blatz	Heinitz	Murphy	Riveness	Tomlinson
Burger	Himle	Nelson, D.	Rodosovich	Tunheim
Carlson, L.	Hoberg	Nelson, K.	Rodriguez, C.	Vanasek
Clark, J.	Hoffman	Neuenschwander	Rodriguez, F.	Vellenga
Clark, K.	Jacobs	Norton	Rose	Voss
Clawson	Jensen	O'Connor	St. Onge	Welch
Cohen	Kahn	Ogren	Sarna	Welle
Coleman	Kelly	Olsen	Scheid	Wenzel
Eken	Knickerbocker	Onnen	Schoenfeld	Wynia
Elioff	Knuth	Osthoff	Seaberg	Zaffke
Ellingson	Kostohryz	Otis	Segal	Speaker Sieben

Those who voted in the negative were:

Anderson, G.	Fjoslien	Kalis	Omann	Thiede
Brinkman	Frerichs	Kvam	Piepho	Uphus
Dempsey	Halberg	Levi	Redalen	Waltman
DenOuden	Haukoos	Ludeman	Schafer	Welker
Dimler	Hokr	Mann	Schreiber	Wigley
Erickson	Jennings	Marsh	Stadum	
Findlay	Johnson	McDonald	Sviggum	

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. 223, A bill for an act relating to taxation; authorizing the assessment of personal liability of corporate or partnership officers or employees; deleting obsolete references; providing for service of summons and subpoena by mail; providing that tax liens include certain costs; providing for the filing of liens and the transcription of liens to other counties; eliminating the requirement of notification to commissioner of foreclosure in certain instances; providing for the assessment of taxes; providing time limitations for court proceedings to collect certain taxes; providing for a suspension of certain time limitations in bankruptcy cases; clarifying the classification of tax claims in estates; providing a bond requirement to secure withholding taxes; providing that the withholding tax clearance required for state contractors be expanded to include out-of-state subcontractors; amending Minnesota Statutes 1982, sections 270.06; 270.10, by adding a subdivision; 270.69, subdivisions 1, 4, 7, and by adding a subdivision; 270.70, subdivisions 1, 10, and 14; 290.49, subdivision 6; 290.58; 290.92, subdivisions 6 and 6a; 290.97; 297A.34, subdivisions 4, 5, and by adding a subdivision; 297A.42, subdivision 2; and 524.3-805.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Ogren moved that the House concur in the Senate amendments to H. F. No. 223 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 223, A bill for an act relating to taxation; authorizing the assessment of personal liability of corporate or partnership officers or employees; deleting obsolete references; clarifying that administrative subpoenas are enforced in the judicial district where the parties served is located; provid-

ing that tax liens include certain costs; providing for the filing of liens and the transcription of liens to other counties; eliminating the requirement of notification to commissioner of foreclosure in certain instances; providing for the assessment of taxes; providing time limitations for court proceedings to collect certain taxes; providing for a suspension of certain time limitations in bankruptcy cases; clarifying the classification of tax claims in estates; providing a bond requirement to secure withholding taxes; providing for payment of withholding taxes by contractors and certain subcontractors prior to final contract settlement; amending Minnesota Statutes 1982, sections 270.06; 270.10, by adding a subdivision; 270.69, subdivisions 1, 4, 7, and by adding a subdivision; 270.70, subdivisions 1, 10, and 14; 290.49, subdivision 6; 290.58; 290.92, subdivisions 6 and 6a; 290.97; 297A.34, subdivisions 4, 5, and by adding a subdivision; 297A.42, subdivision 2; and 524.3-805.

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 98 yeas and 24 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Ellingson	Knickerbocker	Osthoff	Simoneau
Anderson, G.	Evans	Knuth	Otis	Skoglund
Anderson, R.	Findlay	Kostohryz	Pauly	Solberg
Battaglia	Fjoslien	Krueger	Peterson	Sparby
Beard	Forsythe	Larsen	Piper	Staten
Begich	Graba	Long	Price	Swanson
Bennett	Greenfield	Mann	Reif	Tomlinson
Bergstrom	Gustafson	Marsh	Rice	Tunheim
Berkelman	Halberg	McEachern	Riveness	Valan
Bishop	Heap	McKasy	Rodosovich	Vanasek
Blatz	Heinitz	Minne	Rodriguez, C.	Vellenga
Brinkman	Himle	Munger	Rodriguez, F.	Voss
Burger	Hoberg	Murphy	St. Onge	Waltman
Carlson, L.	Hoffman	Nelson, D.	Sarna	Welch
Clark, J.	Jacobs	Nelson, K.	Scheid	Welle
Clark, K.	Jensen	Neuenschwander	Schreiber	Wenzel
Clawson	Johnson	Norton	Scaberg	Wynia
Cohen	Kahn	O'Connor	Segal	Speaker Sieben
Eken	Kalis	Ogren	Shaver	
Elioff	Kelly	Olsen	Sherman	

Those who voted in the negative were:

Dempsey	Haukoos	McDonald	Redalen	Uphus
DenOuden	Hokr	Omann	Schafer	Welker
Erickson	Jennings	Onnen	Schoenfeld	Wigley
Frerichs	Kvam	Piepho	Stadum	Zaffke
Gutknecht	Ludeman	Quist	Thiede	

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. 189, A bill for an act relating to energy; requiring certain conservation investments by regulated utilities; amending Minnesota Statutes 1982, sections 116J.09; 116J.18, subdivision 1a; 216A.07, subdivision 3; 216B.03; 216B.16, subdivision 1; and 216B.241, subdivisions 1, 2, and 3.

PATRICK E. FLAHAVER, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Otis moved that the House concur in the Senate amendments to H. F. No. 189 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 189, A bill for an act relating to energy; requiring certain conservation investments by regulated utilities; amending Minnesota Statutes 1982, sections 116J.09; 116J.18, subdivision 1a; 216A.07, subdivision 3; 216B.03; 216B.16, subdivision 1; and 216B.241, subdivisions 1, 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 73 yeas and 52 nays as follows:

Those who voted in the affirmative were:

Anderson, C.	Elioff	McEachern	Price	Sparby
Anderson, R.	Ellingson	Minne	Reif	Staten
Battaglia	Evans	Munger	Rice	Swanson
Beard	Greenfield	Murphy	Riveness	Tomlinson
Begich	Gustafson	Nelson, D.	Rodosovich	Tunheim
Bergstrom	Hoffman	Nelson, K.	Rodriguez, C.	Vanasek
Berkelman	Jacobs	Neuenschwander	Rodriguez, F.	Vellenga
Brinkman	Jensen	Norton	Sarna	Voss
Carlson, L.	Kahn	O'Connor	Scheid	Welch
Clark, J.	Kelly	Ogren	Segal	Welle
Clark, K.	Knuth	Olsen	Shaver	Wenzel
Clawson	Kostohryz	Osthoff	Shea	Wynia
Cohen	Krueger	Otis	Simoneau	Speaker Sieben
Coleman	Larsen	Peterson	Skoglund	
Eken	Long	Piper	Solberg	

Those who voted in the negative were:

Bennett	Blatz	Dempsey	Dimler	Findlay
Bishop	Burger	DenOuden	Erickson	Fjoslien

Forsythe	Himle	Ludeman	Redalen	Valan
Frerichs	Hoberg	Mann	Rose	Valento
Graba	Hokr	Marsh	Schafer	Waltman
Gruenes	Jennings	McDonald	Schreiber	Welker
Gutknecht	Johnson	McKasy	Seuberg	Wigley
Halberg	Kalis	Omann	Sherman	Zaifke
Haukoos	Knickerbocker	Onnen	Swiggum	
Heap	Kvam	Piepho	Thiede	
Heinitz	Levi	Quist	Uphus	

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. 259, A bill for an act relating to watercraft safety; requirement for rear view mirrors while towing skiers; amending Minnesota Statutes 1982, section 361.09, subdivision 1.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Bennett moved that the House concur in the Senate amendments to H. F. No. 259 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 259, A bill for an act relating to watercraft safety; requirement for rear view mirrors while towing skiers; amending Minnesota Statutes 1982, section 361.09, 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 126 yeas and 2 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Clark, J.	Evans	Heap	Knickerbocker
Anderson, R	Clark, K.	Findlay	Heinitz	Knuth
Battaglia	Clawson	Fjoslien	Himle	Kostohryz
Beard	Cohen	Forsythe	Hoberg	Krueger
Begich	Coleman	Frerichs	Hoffman	Kvam
Bennett	Dempsey	Graba	Hokr	Larsen
Bergstrom	DenOuden	Greenfield	Jacobs	Levi
Bishop	Dimler	Gruenes	Jennings	Long
Blatz	Eken	Gustafson	Jensen	Ludeman
Brinkman	Elioff	Gutknecht	Johnson	Mann
Burger	Ellingson	Halberg	Kalis	Marsh
Carlson, L.	Erickson	Haukoos	Kelly	McDonald

McEachern	Onnen	Rodosovich	Sherman	Valento
McKasy	Osthoff	Rodriguez, C.	Simoneau	Vellenga
Metzen	Otis	Rodriguez, F.	Skoglund	Voss
Minne	Pauly	Rose	Solberg	Waltman
Munger	Peterson	St. Onge	Sparby	Welch
Murphy	Piepho	Sarna	Stadum	Welle
Nelson, D.	Piper	Schafer	Staten	Wenzel
Nelson, K.	Price	Scheid	Swiggum	Wigley
Neuenschwander	Quinn	Schoenfeld	Swanson	Wynia
Norton	Quist	Schreiber	Thiede	Speaker Sieben
O'Connor	Redalen	Seaberg	Tomlinson	
Ogren	Reif	Segal	Tuñheim	
Olsen	Rice	Shaver	Uphus	
Omann	Riveness	Shea	Valan	

Those who voted in the negative were :

Vanasek Zaffke

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. 667, A bill for an act relating to employment; providing leaves of absence for adoptive parents; proposing new law coded in Minnesota Statutes, chapter 181.

PATRICK E. FLAHAVEN, Secretary of the Senate

Blatz moved that the House refuse to concur in the Senate amendments to H. F. No. 667, 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 Senate Files, herewith transmitted :

S. F. Nos. 132 and 812.

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. 318, 733 and 800.

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. 985 and 1048.

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. 85, 359, 557, 984, 1003, 1008 and 1152.

PATRICK E. FLAHAVER, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 132, A bill for an act relating to state government; providing for chiropractic positions in state government civil service; providing for the provision of chiropractic services; proposing new law coded in Minnesota Statutes, chapters 43A and 148.

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

S. F. No. 812, A bill for an act relating to highway traffic regulations; clarifying certain bumper requirements; restricting the height of bumpers on certain vehicles; amending Minnesota Statutes 1982, section 169.73.

The bill was read for the first time.

Hoffman moved that S. F. No. 812 and H. F. No. 814, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 318, A bill for an act relating to alcohol and other drug abuse; requiring certain persons to report suspected chemical abuse by minors; establishing certain duties of certain chemical dependency counselors; proposing new law coded in Minnesota Statutes, chapter 626.

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

S. F. No. 733, A bill for an act relating to game and fish; licensing and record keeping by certain licensees; amending Minnesota Statutes 1982, sections 98.46, subdivision 5; and 98.51, subdivisions 2, 3, and by adding a subdivision.

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

S. F. No. 800, A bill for an act relating to health; providing for retention and destruction of certain medical records; amending Minnesota Statutes 1982, section 145.32.

The bill was read for the first time.

Eken moved that S. F. No. 800 and H. F. No. 544, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 985, A bill for an act relating to game and fish; penalty for taking or illegally possessing big game during the closed season; requiring hunters and trappers to wear a blaze orange cap, vest, or jacket during the firearm deer season; amending Minnesota Statutes 1982, sections 97.55, subdivision 9; and 100.29, subdivision 8, and by adding a subdivision.

The bill was read for the first time.

Neuenschwander moved that S. F. No. 985 and H. F. No. 1065, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1048, A bill for an act relating to natural resources; strengthening certain laws regarding the transportation of wild animals; including conservation officer in the definition of peace officer for purpose of laws relating to fleeing a peace officer; amending Minnesota Statutes 1982, sections 65B.605, subdivision 2; 97.45, subdivisions 1, 3, 4, 6, 7, and 12, and by adding a subdivision; and 609.487, subdivision 2; repealing Minnesota Statutes 1982, section 97.45, subdivision 5.

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

S. F. No. 85, A bill for an act relating to taxation; providing a property tax credit to certain veterans awarded the congressional medal of honor; appropriating money; proposing new law coded in Minnesota Statutes, chapter 273.

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

S. F. No. 359, A bill for an act relating to taxation; providing a transitional period of exemption from the tax on aggregate materials under certain circumstances.

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

S. F. No. 557, A bill for an act relating to costs and attorney fees; providing for recovery of costs and attorney fees by prevailing parties in civil actions against the state and administrative contested cases; amending Minnesota Statutes 1982, section 549.21; proposing new law coded in Minnesota Statutes, chapter 14.

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

S. F. No. 984, A bill for an act relating to taxation; authorizing cities to impose taxes on the gross receipts from the furnishing of certain lodging; requiring these funds to be dedicated to tourism marketing and promotion; proposing new law coded in Minnesota Statutes, chapter 477A.

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

S. F. No. 1003, A bill for an act relating to public welfare; establishing a medical assistance social health maintenance organization demonstration project; proposing new law coded in Minnesota Statutes, chapter 256B.

The bill was read for the first time.

Eken moved that S. F. No. 1003 and H. F. No. 933, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1008, A bill for an act relating to courts; authorizing the appointment of court referees; amending Minnesota Statutes 1982, sections 260.031, subdivision 1; 484.65, subdivisions 4, 5, and 6; and 484.70, subdivision 1; repealing Minnesota Statutes 1982, section 484.701.

The bill was read for the first time.

Ellingson moved that S. F. No. 1008 and H. F. No. 898, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1152, A bill for an act relating to marriage dissolution; clarifying factors to be considered in modifying a child

support order; amending Minnesota Statutes 1982, section 518.-64, subdivision 2.

The bill was read for the first time.

Forsythe moved that S. F. No. 1152 and H. F. No. 802, 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. 667:

Blatz, Price and Krueger.

The Speaker called Wynia to the Chair.

CONSENT CALENDAR

S. F. No. 1105, A bill for an act relating to state lands; providing for the conveyance of certain state land to the city of St. Peter for use as a roadway.

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:

Anderson, B.	Elioff	Jensen	Nelson, K.	Rose
Anderson, C.	Ellingson	Johnson	Neuenschwander	St. Onge
Anderson, R.	Erickson	Kahn	Norton	Sarna
Battaglia	Evans	Kalis	O'Connor	Schafer
Beard	Findlay	Kelly	Ogren	Scheid
Begich	Fjoslien	Knickerbocker	Olsen	Schoenfeld
Bennett	Forsythe	Knuth	Omman	Schreiber
Bergstrom	Frerichs	Kostohryz	Onnen	Seaberg
Berkelman	Graba	Krueger	Osthoff	Segal
Bishop	Greenfield	Kvam	Otis	Shaver
Blatz	Gruenes	Larsen	Pauly	Shea
Brinkman	Gustafson	Levi	Peterson	Sherman
Burger	Gutknecht	Ludeman	Piepho	Simoneau
Carlson, L.	Halberg	Mann	Price	Skoglund
Clark, J.	Haukoos	Marsh	Quinn	Solberg
Clark, K.	Heap	McDonald	Quist	Sparby
Clawson	Heinritz	McEachern	Redalen	Stadum
Cohen	Himle	McKasy	Reif	Staten
Coleman	Hoberg	Metzen	Rice	Sviggum
Dempsey	Hoffman	Minne	Riveness	Swanson
DenOuden	Hokr	Munger	Rodosovich	Thiede
Dimler	Jacobs	Murphy	Rodriguez, C.	Tomlinson
Eken	Jennings	Nelson, D.	Rodriguez, F.	Tunheim

Uphus	Vanasek	Waltman	Welle	Wynia
Valan	Vellenga	Welch	Wenzel	Zaffke
Valento	Voss	Welker	Wigley	Speaker Sieben

The bill was passed and its title agreed to.

The Speaker resumed the Chair.

CALENDAR

S. F. No. 281, A bill for an act relating to elections; changing the date and time of precinct caucuses; prohibiting various government, school and university events on caucus night; amending Minnesota Statutes 1982, sections 202A.14, subdivision 1; and 202A.19.

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 98 yeas and 27 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Ellingson	Kostohryz	Olsen	Shea
Anderson, G.	Evans	Krueger	Omann	Sherman
Anderson, R.	Forsythe	Kvam	Onnen	Simoneau
Battaglia	Graba	Larsen	Osthoff	Solberg
Beard	Greenfield	Levi	Otis	Sparby
Begich	Gruenes	Long	Peterson	Sviggum
Bennett	Gustafson	Mann	Piper	Swanson
Bergstrom	Gutknecht	Marsh	Quinn	Tomlinson
Berkelman	Halberg	McEachern	Quist	Tunheim
Bishop	Heinitz	McKasy	Rice	Valan
Blatz	Himle	Metzen	Riveness	Vellenga
Brinkman	Hoberg	Minne	Rodriguez, C.	Voss
Burger	Hoffman	Munger	Rodriguez, F.	Waltman
Carlson, L.	Jacobs	Murphy	Rose	Welch
Clark, J.	Jensen	Nelson, D.	St. Onge	Welle
Clark, K.	Kahn	Nelson, K.	Sarna	Wenzel
Clawson	Kalis	Neuenschwander	Scheid	Wynia
Cohen	Kelly	Norton	Schoenfeld	Speaker Sieben
Coleman	Knickerbocker	O'Connor	Segal	
Elioff	Knuth	Ogren	Shaver	

Those who voted in the negative were:

Dempsey	Frerichs	Piepho	Seaberg	Welker
DenOuden	Haukoos	Redalen	Skoglund	Wigley
Dimler	Jennings	Reif	Thiede	Zaffke
Erickson	Johnson	Rodosovich	Uphus	
Findlay	Ludeman	Schafer	Valento	
Fjoslien	McDonald	Schreiber	Vanasek	

The bill was passed and its title agreed to.

S. F. No. 664, A bill for an act relating to the city of St. Cloud; authorizing the creation of a downtown parking district; providing for its finances.

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 126 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Fjoslien	Larsen	Piepho	Solberg
Anderson, G.	Forsythe	Levi	Piper	Sparby
Anderson, R.	Frerichs	Long	Price	Stadum
Battaglia	Graba	Ludeman	Quinn	Sviggum
Beard	Gruenes	Mana	Quist	Swanson
Begich	Gustafson	Marsh	Redalen	Thiede
Bennett	Gutknecht	McDonald	Reif	Tomlinson
Bergstrom	Halberg	McEachern	Rice	Tunheim
Berkelman	Haukoos	McKasy	Riveness	Uphus
Bishop	Heap	Metzen	Rodosovich	Valan
Blatz	Heinitz	Minne	Rodriguez, C.	Valento
Brinkman	Himle	Munger	Rodriguez, F.	Vellenga
Burger	Hoberg	Murphy	Rose	Voss
Carlson, L.	Hoffman	Nelson, D.	St. Onge	Waltman
Clark, J.	Hokr	Nelson, K.	Sarna	Welch
Clark, K.	Jacobs	Neuenschwander	Schafer	Welker
Clawson	Jennings	Norton	Scheid	Welle
Cohen	Jensen	O'Connor	Schoenfeld	Wenzel
Coleman	Johnson	Ogren	Schreiber	Wigley
Dempsey	Kahn	Olsen	Scaberg	Wynia
DenOuden	Kalis	Omann	Segal	Zaffke
Dimler	Knickerbocker	Onnen	Shaver	Speaker Sieben
Elioff	Knuth	Osthoff	Shea	
Ellingson	Kostohryz	Otis	Sherman	
Evans	Krueger	Pauly	Simoneau	
Findlay	Kvam	Peterson	Skoglund	

The bill was passed and its title agreed to.

REPORT FROM THE COMMITTEE ON RULES AND LEGISLATIVE ADMINISTRATION

Eken, from the Committee on Rules and Legislative Administration, pursuant to Rule 1.9, designated the following bills as Special Orders to be acted upon immediately preceding General Orders for today, May 4, 1983:

H. F. Nos. 575 and 520; S. F. Nos. 398 and 927; H. F. No. 360; S. F. No. 689; H. F. Nos. 544, 636 and 818; S. F. Nos. 900 and 843; H. F. Nos. 916, 933 and 973; S. F. Nos. 568 and 755; H. F. Nos. 1067 and 1090; S. F. Nos. 639 and 948.

SPECIAL ORDERS

H. F. No. 575 was reported to the House.

Simoneau moved to amend H. F. No. 575, as follows:

Page 1, after line 10, insert:

"ARTICLE 1

Section 1. Minnesota Statutes 1982, section 43A.23, is amended by adding a subdivision to read:

Subd. 3. [CONTRACT WITH INSURANCE CARRIERS.] The commissioner of labor and industry may contract with carriers authorized to provide coverage under the state employees group insurance plan to extend coverage to eligible employees who incur medical expenses due to a personal injury resulting from their state employment which are compensable under chapter 176.

Sec. 2. Minnesota Statutes 1982, section 79.071, subdivision 1, is amended to read:

Subdivision 1. The commissioner shall adopt a schedule of workers' compensation insurance rates for use in this state for each classification under which business is written until January 1, (1986) 1984. The schedule of rates shall not be excessive, inadequate, or unfairly discriminatory. In adopting a schedule of rates, the commissioner may act on the written petition of the association or any other interested party requesting that a hearing be held for modification of the schedule of rates. The commissioner may include the expense of a reasonable charge for the services of an agent of record, for the service of rejected risks as set forth in sections 79.24 to 79.27.

Sec. 3. Minnesota Statutes 1982, section 79.211, subdivision 1, is amended to read:

Subdivision 1. [CERTAIN WAGES EXCLUDED FOR RATE MAKING.] The rating association or an insurer shall not include wages paid for a vacation, holiday, or sick leave in the determination of a workers' compensation insurance premium. *An insurer shall not include that portion of an employee's wages which exceeds 1-1/2 times the maximum temporary total compensation allowed pursuant to section 176.101, subdivision 1, in the determination of a workers' compensation insurance premium provided that this limitation may be waived by an employer.*

Sec. 4. Minnesota Statutes 1982, section 79.251, is amended to read:

79.251 [ADMINISTRATION OF ASSIGNED RISK PLAN.]

Subdivision 1. [ASSIGNED RISK PLAN REVIEW BOARD.] (1) An assigned risk plan review board is created for the purposes of review of the operation of sections (79.24 TO 79.27) 5 and 79.251. The board shall have all the usual powers and authorities necessary for the discharge of its duties under this section and may contract with individuals in discharge of those duties.

(2) The board shall consist of (FIVE) six members to be appointed by the commissioner of insurance. (TWO) Three members shall be insureds holding policies or contracts of coverage issued pursuant to (SECTION 79.25) subdivision 4. Two members shall be (MEMBERS OF THE ASSOCIATION) insurers licensed pursuant to section 60A.06, subdivision 1, clause (5) (b). The commissioner shall be the (FIFTH) sixth member and shall not vote.

Initial appointments shall be made by September 1, 1981, and terms shall be for three years duration. Removal, the filling of vacancies and compensation of the members other than the commissioner shall be as provided in section 15.059.

(3) The assigned risk plan review board shall audit the reserves established (BY INSURERS) (a) for individual cases arising under policies and contracts of coverage issued under (SECTION 79.25) subdivision 4 and (b) for the total book of business issued under (SECTION 79.25) subdivision 4.

(4) The assigned risk plan review board shall monitor the operations of sections (79.24 TO 79.27) 5 and 79.251 and shall periodically make recommendations to the commissioner, and to the governor and legislature when appropriate, for improvement in the operation of those sections.

(5) All (MEMBERS OF THE ASSOCIATION) insurers and self-insurance administrators issuing policies or contracts under (SECTION 79.25) subdivision 4 shall pay and the commissioner shall receive and disburse, on behalf of the board, a .25 percent assessment on premiums for policies and contracts of coverage issued under (SECTION 79.25) subdivision 4 for the purpose of defraying the costs of the assigned risk plan review board.

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

Subd. 2. [APPROPRIATE MERIT RATING PLAN.] The commissioner shall develop an appropriate merit rating plan which shall be applicable to all insureds holding policies or contracts of coverage issued pursuant to (SECTION 79.25 WHOSE PREMIUM IS LESS THAN THE AMOUNT NECESSARY TO QUALIFY FOR EXPERIENCE RATING) subdivision 4 and to the insurers or self-insurance administrators issuing

those policies or contracts. The plan shall provide a maximum merit (PAYMENT) adjustment equal to ten percent of earned premium. The actual (PAYMENT) adjustment may vary with insured's loss experience.

Subd. 3. [RATES.] Insureds served by the assigned risk plan shall be charged premiums based upon a rating plan, including a merit rating plan adopted by the commissioner by rule. The commissioner shall annually, not later than July 1 of each year, establish the schedule of rates applicable to assigned risk plan business. Assigned risk premiums shall not be lower than rates generally charged by insurers for the business. The commissioner shall fix the compensation received by the agent of record.

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

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

Sec. 5. [79.252] [ASSIGNED RISK PLAN.]

Subdivision 1. [PURPOSE.] The purpose of the assigned risk plan is to provide workers' compensation coverage to employers rejected by a licensed insurance company, pursuant to subdivision 2.

Subd. 2. [REJECTED RISKS.] An insurer that refuses to write insurance for an employer shall furnish the employer a written notice of refusal. The employer shall file a copy of the

notice of refusal with the data service organization under contract with the commissioner pursuant to section 79.251, subdivision 4.

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

Subd. 4. [RESPONSIBILITIES.] Assigned risk policies and contracts of coverage shall be subject to premium tax pursuant to section 60A.15, and special compensation fund assessments pursuant to section 176.181, subdivision 10. The assigned risk plan shall be a member of the reinsurance association for the purposes of sections 79.34 to 79.40 and shall be deemed to have selected the higher retention limit provided in section 79.34, subdivision 2.

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

Sec. 6. Minnesota Statutes 1982, section 79.34, subdivision 1, is amended to read:

Subdivision 1. A nonprofit association known as the workers' compensation reinsurance association is created, which may be incorporated under chapter 317 with all the powers of a corporation formed under that chapter, except that if the provisions of that chapter are inconsistent with sections 79.34 to 79.40 or any amendments thereto, sections 79.34 to 79.40 shall govern. Each insurer as defined by section 79.01, subdivision 2, shall as a condition of its authority to transact workers' compensation insurance in this state, be a member of the reinsurance association and shall be bound by the plan of operation of the reinsurance association; provided, that all affiliated insurers within a holding company system as defined in sections 60D.01 to 60D.13 shall be considered a single entity for purposes of the exercise of all rights and duties of membership in the reinsurance association. Each self-insurer approved pursuant to section 176.181 and each political subdivision which self-insures shall, as a condition of its authority to self-insure workers' compensation liability in this state, be a member of the reinsurance association and shall be bound by its plan of operation; provided, that (a) all affiliated companies within a holding company system, as determined by the commissioner in a manner consistent with the standards and definitions in sections 60D.01 to 60D.13, shall be considered a single entity for purposes of the exercise of all rights and duties of membership in the reinsurance association, and (b) all group self-insurers granted authority to self-insure pursuant to section 176.181 shall be considered a single entity for

purposes of the exercise of all the rights and duties of membership in the reinsurance association. As a condition of its authority to self-insure workers' compensation liability, and for losses incurred on or after January 1, 1984, the state shall be a member of the reinsurance association and is bound by its plan of operation. The commissioner of labor and industry represents the state in the exercise of all the rights and duties of membership in the reinsurance association. The state treasurer shall pay the premium to the reinsurance association from the state compensation revolving fund upon warrants of the commissioner of labor and industry. For the purposes of this section "state" means the administrative branch of state government, the legislative branch, the judicial branch, the University of Minnesota, and any other entity whose workers' compensation liability is paid from the state revolving fund. The commissioner may calculate, prorate, and charge a department or agency the portion of premiums paid to the reinsurance association for employees who are paid wholly or in part by federal funds, dedicated funds, or special revenue funds. The reinsurance association (SHALL) is not (BE DEEMED) a state agency. Actions of the reinsurance association and its board of directors and actions of the commissioner of insurance with respect to the reinsurance association (SHALL) are not (BE) subject to (CHAPTER) chapters 13, 14, and 15. The reinsurance association (SHALL BE) is exempt from taxation under the laws of this state and all property owned by the association (SHALL BE) is exempt from taxation. The reinsurance association (SHALL) is not (BE) obligated to make any payments or pay any assessments to any funds or pools established pursuant to this chapter or chapter 176 or any other law.

Sec. 7. Minnesota Statutes 1982, section 79.34, subdivision 2, is amended to read:

Subd. 2. The reinsurance association shall provide and each member shall accept indemnification for 100 percent of the amount of ultimate loss sustained in each loss occurrence relating to one or more claims arising out of a single compensable event, including aggregate losses related to a single event or occurrence which constitutes a single loss occurrence, under chapter 176 on and after October 1, 1979, in excess of \$300,000 or \$100,000 retention limit, at the option of the member. In case of occupational disease causing disablement on and after October 1, 1979, each person suffering such disablement shall be considered to be involved in a separate loss occurrence. The (LESSER) lower retention limit shall be increased to the nearest \$10,000, on January 1, 1982 and on each January 1 thereafter by the percentage increase in the statewide average weekly wage, as determined in accordance with section 176.011, subdivision 20. On January 1, 1982 and on each January 1 thereafter, the (GREATER) higher retention limit shall be increased by the amount necessary to retain a \$200,000 difference between the two retention limits. Ultimate loss as used in this section means the actual loss amount which a member is obligated to pay and which is paid by the member

for workers' compensation benefits payable under chapter 176 and shall not include claim expenses, assessments, damages or penalties. *For losses incurred on or after January 1, 1979, any amounts paid by a member pursuant to sections 176.183, 176.221, 176.225, and 176.82 shall not be included in ultimate loss and shall not be indemnified by the reinsurance association.* A loss is incurred by the reinsurance association on the date on which the accident or other compensable event giving rise to the loss occurs, and a member is liable for a loss up to its retention limit in effect at the time that the loss was incurred, except that members which are determined by the reinsurance association to be controlled by or under common control with another member, and which are liable for claims from one or more employees entitled to compensation for a single compensable event, including aggregate losses relating to a single loss occurrence, may aggregate their losses and obtain indemnification from the reinsurance association for the aggregate losses in excess of the higher retention limit in effect at the time the loss was incurred. Each member is liable for payment of its ultimate loss and shall be entitled to indemnification from the reinsurance association for the ultimate loss in excess of the member's retention limit in effect at the time of the loss occurrence.

A member that chooses the higher retention limit shall retain the liability for all losses below the higher retention limit itself and shall not transfer the liability to any other entity or reinsure or otherwise contract for reimbursement or indemnification for losses below its retention limit, except in the following cases: (a) when the reinsurance or contract is with another member which, directly or indirectly, through one or more intermediaries, control or are controlled by or are under common control with the member; (b) when the reinsurance or contract provides for reimbursement or indemnification of a member if and only if the total of all claims which the member pays or incurs, but which are not reimbursable or subject to indemnification by the reinsurance association for a given period of time, exceeds a dollar value or percentage of premium written or earned and stated in the reinsurance agreement or contract; (c) when the reinsurance or contract is a pooling arrangement with other insurers where liability of the member to pay claims pursuant to chapter 176 is incidental to participation in the pool and not as a result of providing workers' compensation insurance to employers on a direct basis under chapter 176; (d) when the reinsurance or contract is limited to all the claims of a specific insured of a member which are reimbursed or indemnified by a reinsurer which, directly or indirectly, through one or more intermediaries, controls or is controlled by or is under common control with the insured of the member so long as any subsequent contract or reinsurance of the reinsurer relating to the claims of the insured of a member is not inconsistent with the bases of exception provided under clauses (a), (b) and (c) above; or (e) when the reinsurance or contract is limited to all claims of a specific self-insurer member which are reimbursed or indemnified by a reinsurer which, directly or

indirectly, through one or more intermediaries, controls or is controlled by or is under common control with the self-insurer member so long as any subsequent contract or reinsurance of the reinsurer relating to the claims of the self-insurer member are not inconsistent with the bases for exception provided under clauses (a), (b) and (c) above.

Whenever it appears to the commissioner that any member that chooses the higher retention limit has participated in the transfer of liability to any other entity or reinsured or otherwise contracted for reimbursement or indemnification of losses below its retention limit in a manner inconsistent with the bases for exception provided under clauses (a), (b), (c), (d), and (e), the commissioner may, after giving notice and an opportunity to be heard, order the member to pay to the state of Minnesota an amount not to exceed twice the difference between the reinsurance premium for the higher and lower retention limit applicable to the member for each year in which the prohibited reinsurance or contract was in effect. Any member subject to this penalty provision shall continue to be bound by its selection of the higher retention limit for purposes of membership in the reinsurance association.

Sec. 8. Minnesota Statutes 1982, section 79.34, is amended by adding a subdivision to read:

Subd. 7. For losses incurred on or after January 1, 1984, the reinsurance association shall indemnify the member for the ultimate loss, in excess of the retention limit in effect at the time of the loss occurrence, sustained in each loss occurrence relating to one or more claims arising out of a single compensable event in another state provided that:

(a) the injured worker is eligible for benefits under section 176.041, subdivision 2 or 3 but elects to receive benefits under the workers' compensation statute of another state in lieu of benefits under chapter 176; and

(b) the ultimate loss indemnified by the reinsurance association shall be determined as provided in this chapter, except that the benefits shall be equal to those required to be paid under the workers' compensation statute of the state elected.

Sec. 9. Minnesota Statutes 1982, section 79.35, is amended to read:

79.35 [DUTIES; RESPONSIBILITIES; POWERS.]

The reinsurance association shall do the following on behalf of its members:

(a) Assume 100 percent of the liability as provided in section 79.34;

(b) Establish procedures by which members shall promptly report to the reinsurance association each claim which, on the basis of the injury sustained, may reasonably be anticipated to involve liability to the reinsurance association if the member is held liable under chapter 176. Solely for the purpose of reporting claims, the member shall in all instances consider itself legally liable for the injury. The member shall advise the reinsurance association of subsequent developments likely to materially affect the interest of the reinsurance association in the claim;

(c) Maintain relevant loss and expense data relative to all liabilities of the reinsurance association and require each member to furnish statistics in connection with liabilities of the reinsurance association at the times and in the form and detail as may be required by the plan of operation;

(d) Calculate and charge to members a total premium sufficient to cover the expected liability which the reinsurance association will incur in excess of the higher retention limit but less than the prefunded limit, together with incurred or estimated to be incurred operating and administrative expenses for the period to which this premium applies and actual claim payments to be made by members, during the period to which this premium applies, for claims in excess of the prefunded limit in effect at the time the loss was incurred. The prefunded limit shall be \$2,500,000 on and after October 1, 1979, provided that the prefunded limit shall be increased on January 1, 1983 and on each January 1 thereafter by the percentage increase in the statewide average weekly wage, to the nearest \$100,000, as determined in accordance with section 176.011, subdivision 20. Each member shall be charged a proportion of the total premium in an amount equal to its proportion of the (TOTAL STANDARD EARNED PREMIUM) *exposure base* of all members during the period to which the reinsurance association premium will apply (, AS DETERMINED BY THE COMMISSIONER). *The exposure base shall be determined by the board and is subject to the approval of the commissioner. In determining the exposure base, the board shall consider, among other things, equity, administrative convenience, records maintained by members, amenability to audit, and degree of risk refinement.* Each member exercising the lower retention option shall also be charged a premium established by the board as sufficient to cover incurred or estimated to be incurred claims for the liability the reinsurance association is likely to incur between the lower and higher retention limits for the period to which the premium applies. Each member shall also be charged a premium determined by the board to equitably distribute excess or deficient premiums from previous periods including any excess or deficient premiums resulting from a retroactive change in the

prefunded limit. (AN EQUITABLE BASIS FOR DETERMINING STANDARD EARNED PREMIUM FOR SELF-INSURERS SHALL BE ESTABLISHED BY THE COMMISSIONER.) The premiums charged to members shall not be unfairly discriminatory as defined in section 79.074. All premiums shall be approved by the commissioner;

(e) Require and accept the payment of premiums from members of the reinsurance association;

(f) Receive and distribute all sums required by the operation of the reinsurance association;

(g) Establish procedures for reviewing claims procedures and practices of members of the reinsurance association. If the claims procedures or practices of a member are considered inadequate to properly service the liabilities of the reinsurance association, the reinsurance association may undertake, or may contract with another person, including another member, to adjust or assist in the adjustment of claims which create a potential liability to the association (AND). *The reinsurance association may charge the cost of the adjustment under this paragraph to the member, except that any penalties or interest incurred under sections 176.183, 176.221, 176.225, and 176.82 as a result of actions by the reinsurance association after it has undertaken adjustment of the claim shall not be charged to the member but shall be included in the ultimate loss and listed as a separate item; and*

(h) Provide each member of the reinsurance association with an annual report of the operations of the reinsurance association in a form the board of directors may specify.

Sec. 10. Minnesota Statutes 1982, section 79.37, is amended to read:

79.37 [BOARD OF DIRECTORS.]

A board of directors of the reinsurance association is created and (SHALL BE) *is* responsible for the operation of the reinsurance association consistent with the plan of operation and sections 79.34 to 79.42. The board (SHALL CONSIST) *consists* of (NINE) *13* directors and the (COMMISSIONER) *commissioners* of insurance (WHO SHALL BE AN EX OFFICIO MEMBER) *and labor and industry, both of whom are voting members.* Four members of the board shall represent insurers, (THREE) *six* members of the board shall represent employers, at least one, but not more than (TWO) *three*, of whom shall represent self-insurers, and (TWO) *three* members of the board shall represent employees. Members shall elect the insurer directors, and the commissioner of insurance shall appoint the employer and employee directors *from a list presented to the commissioner by the workers' compensation advisory council*

established in section 175.007, subdivision 1, for the terms authorized in the plan of operation. Each board member (SHALL BE) is entitled to one vote. Terms of the directors shall be staggered so that the terms of all the directors do not expire at the same time and so that a director does not serve a term of more than four years. The board shall select a chairman and other officers it deems appropriate.

A majority of the board (SHALL CONSTITUTE) constitutes a quorum, notwithstanding any vacancies. Action may be taken by a majority vote of the directors present.

Sec. 11. Minnesota Statutes 1982, section 79.51, subdivision 1, is amended to read:

Subdivision 1. [ADOPTION; WHEN.] The commissioner shall adopt rules, including temporary rules, to implement provisions of chapter 79. (THE RULES SHALL BE FINALLY ADOPTED AFTER MAY 1, 1982. BY JANUARY 15, 1982, THE COMMISSIONER SHALL PROVIDE THE LEGISLATURE A DESCRIPTION AND EXPLANATION OF THE INTENT AND ANTICIPATED EFFECT OF THE RULES ON THE VARIOUS FACTORS OF THE RATING SYSTEM.)

Sec. 12. Minnesota Statutes 1982, section 79.51, subdivision 3, is amended to read:

Subd. 3. [RULES; SUBJECT MATTER.] (a) The commissioner in issuing rules shall consider:

(1) Data reporting requirements, including types of data reported, such as loss and expense data;

(2) Experience rating plans;

(3) Retrospective rating plans;

(4) General expenses and related expense provisions;

(5) Minimum premiums;

(6) Classification systems and assignment of risks to classifications;

(7) Loss development and trend factors;

(8) The workers' compensation reinsurance association;

(9) (RESTRICTIONS, PROHIBITIONS, AND REQUIREMENTS WITH RESPECT TO THE ACTIVITIES OF THE WORKERS' COMPENSATION INSURERS RATING AS-

SOCIATION OF MINNESOTA DURING THE PERIOD FROM JULY 1, 1983 TO JANUARY 1, 1986;)

((10)) Requiring substantial compliance with the rules mandated by this section as a condition of workers' compensation carrier licensure;

((11)) (10) Imposing limitations on the functions of workers' compensation data service organizations consistent with the introduction of competition;

((12)) (11) The rules contained in the workers' compensation rating manual adopted by the workers' compensation insurers rating association; and

((13)) (12) Any other factors that the commissioner deems relevant to achieve the purposes of chapter 79.

(b) The rules shall provide for the following:

(1) Competition in workers' compensation insurance rates in such a way that the advantages of competition are introduced with a minimum of employer hardship (DURING THE TRANSITION PERIOD);

(2) Adequate safeguards against excessive or discriminatory rates in workers' compensation (DURING THE TRANSITION PERIOD);

(3) Encouragement of workers' compensation insurance rates which are as low as reasonably necessary, but shall make provision against inadequate rates, insolvencies and unpaid benefits;

(4) Assurances that employers are not unfairly relegated to the assigned risk pool;

(5) Requiring all appropriate data and other information from insurers for the purpose of issuing rules (AND), making legislative recommendations pursuant to this section *and monitoring the effectiveness of competition*; and

(6) Preserving a framework for risk classification, data collection, and other appropriate joint insurer services where these will not impede the introduction of competition in premium rates.

((C) THE RULES SHALL EXPIRE ON JANUARY 1, 1986.)

Sec. 13. Laws 1981, chapter 346, section 145, is amended to read:

Sec. 145. [REPEALER.]

Minnesota Statutes 1980, Sections (79.071, SUBDIVISION 1; 79.074, SUBDIVISION 1; 79.075; 79.076; 79.08; 79.09; 79.11; 79.12; 79.13; 79.14; 79.15; 79.16; 79.17; 79.171; 79.18; 79.19; 79.20; 79.21; 79.22, SUBDIVISION 1; 79.221; 79.23;) 79.24; 79.25; 79.26; 79.27; 79.28; 79.29; 79.30; 79.31; 79.32; and 79.33 are repealed effective July 1, 1983. Minnesota Statutes 1980, Sections 79.071 (, SUBDIVISIONS 2, 3, 4, 5, 6, AND 7); 79.072; (AND) 79.073; 79.074, *Subdivision 1*; 79.075; 79.076; 79.08; 79.09; 79.11; 79.12; 79.13; 79.14; 79.15; 79.16; 79.17; 79.171; 79.18; 79.19; 79.20; 79.21; 79.22, *Subdivision 1*; 79.221; 79.23; 79.27; 79.28; 79.29; 79.30; 79.31; 79.32; and 79.33 are repealed effective January 1, (1986) 1984. Minnesota Statutes 1980, Sections 175.006, Subdivisions 1a and 2; 175.0061; 175.09; 176.111, Subdivision 11; and 176.441, Subdivision 2, are repealed.

Sec. 14. Laws 1981, chapter 346, section 146, is amended to read:

Sec. 146. [EFFECTIVE DATE.]

Sections 11, 21, 22, 23, 35, 36, 37, 38, 53, 54, 141, and 142 are effective the day following enactment. Sections 1 to 8, 12, 39 to 52, 55 to 95, 99 to 138, 140, and 143 to 145 are effective July 1, 1981. Sections 96 to 98 are effective October 1, 1981. Sections 9, 10, and 13 to 20 are effective January 1, 1982. Sections (24) 30 to 34 are effective July 1, 1983. *Sections 24 to 29 are effective January 1, 1984.* Section 139 is effective retroactively to April 12, 1980.

Sec. 15. Minnesota Statutes 1982, section 79.52, is amended by adding a subdivision to read:

Subd. 16. [ATTORNEY'S FEES.] No loss adjustment expense used to pay attorney fees or other costs in defense of a workers' compensation claim shall be charged to an insured in a merit rating plan or to a plan under section 79.251, subdivision 2.

Sec. 16. Minnesota Statutes 1982, section 147.02, is amended by adding a subdivision to read:

Subd. 3. [CONTINUING EDUCATION.] The board shall adopt rules requiring continuing education for physicians, surgeons, and osteopaths licensed under this chapter. These rules shall include rules relating to continuing education designed to assure the coordination of treatment, rehabilitation, and other medical services provided to injured employees under chapter 176. Rules relative to education regarding treatment under chapter 176 shall be adopted jointly with the commissioner of labor and industry.

Sec. 17. [148.031] [CONTINUING EDUCATION.]

The board shall adopt rules requiring continuing education for chiropractors licensed under this chapter. These rules shall include rules relating to continuing education designed to assure the coordination of treatment, rehabilitation, and other chiropractic services provided to injured employees under chapter 176. Rules relative to education under chapter 176 shall be adopted jointly with the commissioner of labor and industry.

Sec. 18. Minnesota Statutes 1982, section 175.006, subdivision 1, is amended to read:

Subdivision 1. [CREATION AND ORGANIZATION.] The division of workers' compensation, generally administering the workers' compensation law, is created within the department of labor and industry. (THERE IS CREATED AS A SEPARATE APPELLATE TRIBUNAL FOR WORKERS' COMPENSATION, THE WORKERS' COMPENSATION COURT OF APPEALS.)

(THE WORKERS' COMPENSATION COURT OF APPEALS SHALL BE COMPOSED OF FIVE JUDGES EACH SERVING IN THE UNCLASSIFIED SERVICE OF THE STATE CIVIL SERVICE. OF THE FIVE JUDGES, AT LEAST THREE SHALL BE LEARNED IN THE LAW. EACH JUDGE OF THE WORKERS' COMPENSATION COURT OF APPEALS SHALL BE APPOINTED BY THE GOVERNOR, BY AND WITH THE ADVICE AND CONSENT OF THE SENATE, FOR A TERM OF SIX YEARS. THE JUDGES OF THE WORKERS' COMPENSATION COURT OF APPEALS AS NOW CREATED SHALL BE THE JUDGES OF THE WORKERS' COMPENSATION COURT OF APPEALS UNTIL THE EXPIRATION OF THE TERMS FOR WHICH THEY HAVE BEEN APPOINTED AND QUALIFIED.)

Sec. 19. Minnesota Statutes 1982, section 175.007, subdivision 1, is amended to read:

Subdivision 1. The commissioner shall appoint an advisory council on workers' compensation, which (SHALL CONSIST) consists of five representatives of employers and five representatives of employees and (THREE) *five nonvoting* members representing the general public. The council may consult with (THE JUDGES OF THE WORKERS' COMPENSATION COURT OF APPEALS) *any party it so desires*. The (COUNCIL SHALL EXPIRE AND THE) terms (, COMPENSATION) and removal of members shall be as provided in section 15.059. *The council is not subject to section 15.059, subdivision 5.*

Sec. 20. Minnesota Statutes 1982, section 175.08, is amended to read:

175.08 [OFFICE.]

The (WORKERS' COMPENSATION COURT OF APPEALS AND THE) department of labor and industry shall maintain (THEIR) *its* main (OFFICES) *office* within the Minneapolis-Saint Paul metropolitan area and be provided by the commissioner of administration with suitable rooms and necessary furniture. (THE OFFICES OF THE WORKERS' COMPENSATION COURT OF APPEALS AND THE DEPARTMENT OF LABOR AND INDUSTRY SHALL BE IN SEPARATE BUILDINGS. THEY) *It* may hold sessions at any other place in the state when (THEIR CONVENIENCE AND THAT OF THE PARTIES INTERESTED SO REQUIRES) *it is convenient*.

Sec. 21. Minnesota Statutes 1982, section 175.10, is amended to read:

175.10 [SESSIONS TO BE PUBLIC.]

The department of labor and industry shall be open for the transaction of business during all business hours of each and every day, excepting Saturdays, Sundays and legal holidays. The hearings of (THE WORKERS' COMPENSATION COURT OF APPEALS AND) the workers' compensation division shall be open to the public and may be adjourned from time to time. All the proceedings of (THE WORKERS' COMPENSATION COURT OF APPEALS AND) the division shall be shown on their records, which shall be public records.

Sec. 22. Minnesota Statutes 1982, section 175.101, subdivision 1, is amended to read:

Subdivision 1. It is the legislative purpose in creating a division of workers' compensation, and in assigning to the commissioner of the department of labor and industry specific duties and responsibilities, to:

(a) provide for a unified department of labor and industry for the limited purposes of organization and administration of common administrative functions; *and*

(b) assure the autonomy and maximum independence of the necessary adjudicative functions and quasi-legislative administrative duties of the division (, AND;)

((C) SEPARATE AND LIMIT THE FUNCTIONS AND RESPONSIBILITIES OF THE EXISTING WORKERS' COMPENSATION COURT OF APPEALS TO THOSE APPROPRIATE TO AN INDEPENDENT APPELLATE REVIEWING BODY).

The commissioner (OF THE DEPARTMENT OF LABOR AND INDUSTRY) as head of the workers' compensation division is the administrator of the workers' compensation division. (HE) *The commissioner shall possess only (SUCH) the powers and shall perform only (SUCH) the duties (AS ARE SPECIFICALLY) prescribed by law.*

Sec. 23. Minnesota Statutes 1982, section 175.101, subdivision 2, is amended to read:

Subd. 2. The commissioner (OF THE DEPARTMENT OF LABOR AND INDUSTRY) shall keep a full and true record of all proceedings of the workers' compensation division (AND THE WORKERS' COMPENSATION COURT OF APPEALS), issue all necessary processes, writs, warrants, and notices which the division (OR WORKERS' COMPENSATION COURT OF APPEALS ARE) *is* required or authorized to issue and generally act as the administrator of the division of workers' compensation in the department of labor and industry. Notices and other documents required to be served or filed on the division of workers' compensation or the workers' compensation court of appeals shall be served on the commissioner (OF THE DEPARTMENT OF LABOR AND INDUSTRY).

Sec. 24. Minnesota Statutes 1982, section 176.011, is amended by adding a subdivision to read:

Subd. 23. [RETRAINING.] "Retraining" means a formal course of study in a school setting which is designed to train an employee to return to suitable gainful employment.

Sec. 25. Minnesota Statutes 1982, section 176.011, is amended by adding a subdivision to read:

Subd. 24. [HEALTH CARE PROVIDER.] "Health care provider" means a physician, podiatrist, chiropractor, dentist, optometrist, osteopath, psychologist, psychiatric social worker, or any other person who furnishes a medical or health service to an employee under this chapter but does not include a qualified rehabilitation consultant or approved vendor.

Sec. 26. Minnesota Statutes 1982, section 176.011, is amended by adding a subdivision to read:

Subd. 25. [MAXIMUM MEDICAL IMPROVEMENT.] "Maximum medical improvement" means the date after which no further significant recovery from or lasting improvement to a personal injury can reasonably be anticipated, based upon current medical knowledge.

Sec. 27. Minnesota Statutes 1982, section 176.011, is amended by adding a subdivision to read:

Subd. 26. [MONITORING PERIOD.] "Monitoring period" means the number of weeks during which economic recovery compensation pursuant to section 176.101, subdivision 3a, would have been paid if that compensation were payable.

Sec. 28. Minnesota Statutes 1982, section 176.012, is amended to read:

176.012 [ELECTION OF COVERAGE.]

The persons, partnerships and corporations described in this section may elect to provide the insurance coverage required by this chapter.

(a) An owner or owners of a business or farm may elect coverage for themselves.

(b) A partnership owning a business or farm may elect coverage for any partner.

(c) A family farm corporation as defined in section 500.24, subdivision 2, clause (c) may elect coverage for any executive officer.

(d) A closely held corporation which had less than 22,880 hours of payroll in the previous calendar year may elect coverage for any executive officer if that executive officer is also an owner of at least 25 percent of the stock of the corporation.

(e) A person, partnership, or corporation hiring an independent contractor, as defined by rules adopted by the commissioner, can elect to provide coverage for that independent contractor provided that if no such election is made the independent contractor may elect to provide coverage for him or herself.

The persons, partnerships and corporations described in this section may also elect coverage for an employee who is a spouse, parent or child, regardless of age, of an owner, partner, or executive officer, who is eligible for coverage under this section. Coverage may be elected for a spouse, parent or child whether or not coverage is elected for the related owner, partner or executive director and whether or not the person, partnership or corporation employs any other person to perform a service for hire. Any person for whom coverage is elected pursuant to this section shall be included within the meaning of the term employee for the purposes of this chapter.

Notice of election of coverage or of termination of election under this section shall be provided in writing to the insurer. Coverage or termination of coverage is effective the day following receipt of notice by the insurer or at a subsequent date if so indicated in the notice. The insurance policy shall be endorsed

to indicate the names of those persons for whom coverage has been elected or terminated under this section. An election of coverage under this section shall continue in effect as long as a policy or renewal policy of the same insurer is in effect.

Nothing in this section shall be construed to limit the responsibilities of owners, partnerships or corporations to provide coverage for their employees, if any, as required under this chapter.

Sec. 29. Minnesota Statutes 1982, section 176.021, subdivision 3, is amended to read:

Subd. 3. [COMPENSATION, COMMENCEMENT OF PAYMENT.] All employers shall commence payment of compensation at the time and in the manner prescribed by this chapter without the necessity of any agreement or any order of the division. Except for medical, burial, and other non-periodic benefits, payments shall be made as nearly as possible at the intervals when the wage was payable, provided, however, that payments for permanent partial disability shall be governed by (SUBDIVISION 3A) *section 176.101*. If doubt exists as to the eventual permanent partial disability, payment for the economic recovery compensation or impairment compensation, whichever is due, pursuant to (SUBDIVISION 3A) *section 176.101*, shall be then made when due for the minimum permanent partial disability ascertainable, and further payment shall be made upon any later ascertainment of greater permanent partial disability. *Prior to or at the time of (ANY TENDER) commencement of the (LUMP SUM) payment of economic recovery compensation or impairment compensation, the employee and employer shall be furnished with a copy of the medical report upon which the payment is based and all other medical reports which the insurer has that indicate a permanent partial disability rating, together with a statement by the insurer as to whether the tendered payment is for minimum permanent partial disability or final and eventual disability. (COMPENSATION FOR PERMANENT PARTIAL DISABILITY) After receipt of all reports available to the insurer that indicate a permanent partial disability rating, the employee shall make available or permit the insurer to obtain any medical report that the employee has or has knowledge of that contains a permanent partial disability rating which the insurer does not already have. Economic recovery compensation or impairment compensation pursuant to section 176.101 is payable in addition to but not concurrently with compensation for temporary total disability and temporary partial disability pursuant to section 176.101, subdivisions 1 and 2, and as provided in (SUBDIVISION 3A) section 176.101. (COMPENSATION FOR PERMANENT PARTIAL DISABILITY) Impairment compensation is payable concurrently and in addition to compensation for permanent total disability pursuant to section 176.101, subdivision 5, and as provided in (SUBDIVISION 3A) section 176.101. (COMPENSATION FOR PERMANENT PARTIAL DISABILITY) Economic recovery compensation or impairment compensa-*

tion pursuant to section 176.101 shall be withheld pending completion of payment for temporary total (AND TEMPORARY PARTIAL) disability (BUT SHALL NOT BE WITHHELD PENDING PAYMENT OF COMPENSATION FOR PERMANENT TOTAL DISABILITY), and no credit shall be taken for payment of (PERMANENT PARTIAL DISABILITY) economic recovery compensation or impairment compensation against liability for temporary total or permanent total disability. Liability on the part of an employer or (HIS) the insurer for disability of a temporary total, temporary partial, and permanent total nature shall be considered as a continuing product and part of the employee's inability to earn or reduction in earning capacity due to injury or occupational disease and (SHALL BE) compensation is payable accordingly, subject to (SUBDIVISION 3A) section 176.101. (PERMANENT PARTIAL DISABILITY) Economic recovery compensation or impairment compensation is payable for functional loss of use or impairment of function, permanent in nature, and payment therefore shall be separate, distinct, and in addition to payment for any other compensation, subject to (SUBDIVISION 3A) section 176.101. The right to receive temporary total, temporary partial, (PERMANENT PARTIAL) or permanent total disability payments (SHALL VEST) vests in the injured employee or (HIS) the employee's dependents under this chapter or, if none, in (HIS) the employee's legal heirs at the time the disability can be ascertained and the right (SHALL) is not (BE) abrogated by the employee's death prior to the making of the payment.

The right to receive economic recovery compensation or impairment compensation vests in an injured employee at the time the disability is ascertained provided that the employee lives for at least 30 days beyond the date of the injury. Upon the death of an employee who is receiving economic recovery compensation or impairment compensation, further compensation is payable pursuant to section 176.101.

Sec. 30. Minnesota Statutes 1982, section 176.041, subdivision 1, is amended to read:

Subdivision 1. [EMPLOYMENTS EXCLUDED.] This chapter does not apply to persons employed by any common carrier by railroad engaged in interstate or foreign commerce, which persons are covered by the Federal Employers' Liability Act (45 U.S.C. 51-60) or other comparable federal law; persons employed by family farms as defined by section 176.011, subdivision 11a, the spouse, parent and child, regardless of age, of a farmer employer working for him; partners engaged in any farm operation or partners engaged in a business and the spouse, parent, and child, regardless of age, of any of the partners of the farm operation or business; an executive officer of a family farm corporation; an executive officer of a closely held corporation referred to in section 176.012; any spouse, parent, or child, regardless of age, of an executive officer of a family farm corporation as defined in section 500.24, subdivision 2, employed by

that family farm corporation; any spouse, parent, or child, regardless of age, of an executive officer of a closely held corporation referred to in section 176.012; or other farmers or members of their families exchanging work with the farmer employer or family farm corporation operator in the same community, or persons whose employment at the time of the injury is casual, and not in the usual course of the trade, business, profession, or occupation of his employer; *persons who are independent contractors as defined by rules adopted by the commissioner pursuant to section 176.83 provided that this exclusion does not apply to an employee of an independent contractor*; nor does it apply to officers or members of veteran's organizations whose employment relationship arises solely by virtue of attending meetings or conventions of their organization, unless the veteran's organizations elect by resolution to provide coverage under this chapter for the officers or members. Neither shall the chapter apply to any person employed as a household worker in, for, or about, a private home or household who earns less than \$500 in cash in any three month period from a single private home or household provided that any household worker who has earned \$500 or more from his present employer in any three month period within the previous year shall be covered by this chapter regardless of whether or not he has in the present quarter earned \$500. This chapter does not apply to those persons employed by a corporation where those persons are related by blood or marriage, within the third degree of kindred according to the rules of civil law, to all of the officers of the corporation, and if the corporation files a written election with the commissioner (OF LABOR AND INDUSTRY) to have those persons excluded from this chapter *except that a written election is not required for a person who is otherwise excluded from this chapter by this section*. This chapter does not apply to a nonprofit association which does not pay more than \$500 in salary or wages in a year.

Sec. 31. Minnesota Statutes 1982, section 176.061, is amended to read:

176.061 [THIRD PARTY LIABILITY.]

Subdivision 1. [ELECTION OF REMEDIES.] Where an injury or death for which benefits are payable occurs under circumstances which create a legal liability for damages on the part of a party other than the employer and at the time of (SUCH) *the* injury or death that party was insured or self-insured in accordance with this chapter, the employee, in case of injury, or (HIS) *the employee's* dependents, in case of death, may proceed either at law against that party to recover damages or against the employer for benefits, but not against both.

Subd. 2. [ACTION FOR RECOVERY OF DAMAGES.] If the employee, in case of injury, or (HIS) *the employee's* dependents, in case of death, brings an action for the recovery of damages, the amount thereof, the manner in which, and the persons

to whom the same are payable, shall be as provided in this chapter. In no case shall (SUCH) *the* party be liable to any person other than the employee or (HIS) *the employee's* dependents for any damages resulting from (SUCH) *the* injury or death.

Subd. 3. [ELECTION TO RECEIVE BENEFITS FROM EMPLOYER; INDEMNITY AND SUBROGATION.] If the employee or (HIS) *the employee's* dependents elect to receive benefits from the employer, or the special compensation fund, the employer, or the special compensation fund, *has a right of indemnity against third parties for cases under chapter 65B, or, in all other cases,* is subrogated to the right of the employee or (HIS) *the employee's* dependents to recover damages against the other party. The employer, or the attorney general on behalf of the special compensation fund, may bring legal proceedings against (SUCH) *the* party and recover the aggregate amount of benefits payable to or on behalf of the employee or (HIS) *the employee's* dependents, together with costs, disbursements, and reasonable attorney's fees of the action.

If an action as provided in this chapter prosecuted by the employee, the employer, or the attorney general on behalf of the special compensation fund, against the third person, results in judgment against the third person, or settlement by the third person, the employer (SHALL HAVE) *has* no liability to reimburse or hold the third person harmless on the judgment or settlement in absence of a written agreement to do so executed prior to the injury.

Subd. 4. [APPLICATION OF SUBDIVISIONS 1, 2, AND 3.] The provisions of subdivisions 1, 2, and 3 apply only where the employer liable for benefits and the other party legally liable for damages are insured or self-insured and engaged, in the due course of business in, (a) furtherance of a common enterprise, or (b) in the accomplishment of the same or related purposes in operations on the premises where the injury was received at the time (THEREOF) *of the injury.*

Subd. 5. [CUMULATIVE REMEDIES.] Where an injury or death for which benefits are payable is caused under circumstances which created a legal liability for damages on the part of a party other than the employer, that party being then insured or self-insured in accordance with this chapter, and the provisions of subdivisions 1, 2, 3, and 4 do not apply, or the party other than the employer is not then insured or self-insured as provided by this chapter, legal proceedings may be taken by the employee or (HIS) *the employee's* dependents in accordance with clause (a), or by his employer, or by the attorney general on behalf of the special compensation fund, in accordance with clause (b), against the other party to recover damages, notwithstanding the payment by the employer, or the special compensation fund or their liability to pay benefits.

(a) If an action against the other party is brought by the injured employee or (HIS) *the employee's* dependents and a judgment is obtained and paid or settlement is made with the other party, the employer or the special compensation fund may deduct from the benefits payable the amount actually received by the employee or dependents or paid on their behalf in accordance with subdivision 6. If the action is not diligently prosecuted or if the court deems it advisable in order to protect the interests of the employer, or the special compensation fund, upon application the court may grant the employer, or the special compensation fund, the right to intervene in (ANY SUCH) *the action* for the prosecution (THEREOF) *of the action*. If the injured employee or (HIS) *the employee's* dependents or any party on their behalf receives benefits from the employer, or the special compensation fund, or institute proceedings to recover (THE SAME) *benefits* or accept from the employer, or the special compensation fund, any payment on account of the benefits, the employer, or the special compensation fund, is subrogated to the rights of the employee or (HIS) *the employee's* dependents or has a right of indemnity, for cases under chapter 65B, against a third party. This employer, or the attorney general on behalf of the special compensation fund, may maintain (AN) *a separate* action or continue an action already instituted. This action may be maintained in the name of the employee or the names of the *employee's* dependents, or in the name of the employer or in the name of the attorney general on behalf of the special compensation fund against (SUCH) *the* other party for the recovery of damages. If the action is not diligently prosecuted by the employer, or the attorney general on behalf of the special compensation fund, or the court deems it advisable in order to protect the interest of the employee, the court, upon application, may grant to the employee or (HIS) *the employee's* dependents the right to intervene in the action for the prosecution (THEREOF) *of the action*. The proceeds of (SUCH) *the* action or settlement (THEREOF) *of the action* shall be paid in accordance with subdivision 6.

(b) If an employer, being then insured, sustains damages due to a change in workers' compensation insurance premiums, whether by a failure to achieve a decrease or by a retroactive or prospective increase, as a result of the injury or death of (HIS) *an* employee which was caused under circumstances which created a legal liability for damages on the part of a party other than the employer, the employer, notwithstanding other remedies provided, may maintain an action against the other party for recovery of (SUCH) *the* premiums. This cause of action may be brought either by joining in an action described in clause (a) or by a separate action. Damages recovered under this clause (SHALL BE) *are* for the benefit of the employer and the provisions of subdivision 6 (SHALL) *are* not (BE) applicable to (SUCH) *the* damages.

(c) The third party is not liable to any person other than the employee or (HIS) *the employee's* dependents, or (HIS) *the* em-

ployer, or the special compensation fund, for any damages resulting from the injury or death.

A co-employee working for the same employer is not liable for a personal injury incurred by another employee unless the injury resulted from the gross negligence of the co-employee or was intentionally inflicted by the co-employee.

Subd. 6. [COSTS, ATTORNEY FEES, EXPENSES.] The proceeds of all actions for damages or settlement (THEREOF) of an action under this section, except for damages received under subdivision 5, clause (b) received by the injured employee or (HIS) *the employee's* dependents or by the employer, or the special compensation fund, as provided by subdivision 5, shall be divided as follows:

(a) After deducting the reasonable cost of collection, including but not limited to attorneys fees and burial expense in excess of the statutory liability, then

(b) One-third of the remainder shall in any event be paid to the injured employee or (HIS) *the employee's* dependents, without being subject to any right of subrogation.

(c) Out of the balance remaining, the employer, or the special compensation fund, shall be reimbursed in an amount equal to all benefits paid under this chapter to or on behalf of the employee or (HIS) *the employee's* dependents by the employer, or special compensation fund, less the product of the costs deducted under clause (a) divided by the total proceeds received by the employee or his dependents from the other party multiplied by all benefits paid by the employer, or the special compensation fund, to the employee or (HIS) *the employee's* dependents.

(d) Any balance remaining shall be paid to the employee or (HIS) *the employee's* dependents, and shall be a credit to employer, and the special compensation fund, for any benefits which employer is obligated to pay, but has not paid, and for any benefits that (SUCH) *the employer* (SHALL BE) *is* obligated to make in the future.

There shall be no reimbursement or credit to the employer, or the special compensation fund, for interest or penalties.

Subd. 7. [MEDICAL TREATMENT.] The liability of an employer, or the special compensation fund, for medical treatment or payment of any other compensation under this chapter (SHALL) *is not* (BE) affected by the fact that (HIS) *the employee* was injured through the fault or negligence of a third party, against whom the employee may have a cause of action which may be sued under this chapter, but the employer, or the attorney general on behalf of the special compensation fund,

(SHALL HAVE) *has* a separate additional cause of action against (SUCH) *the* third party to recover any amounts paid for medical treatment *or for other compensation payable* under this section resulting from the negligence of (SUCH) *the* third party. This separate cause of action of the employer, or the attorney general on behalf of the special compensation fund, may be asserted in a separate action brought by the employer, or the attorney general on behalf of the special compensation fund, against (SUCH) *the* third party or in the action commenced by the employee or the employer, or the attorney general on behalf of the special compensation fund, under this chapter, but in the latter case the cause of action shall be separately stated, the amount awarded thereon shall be separately set out in the verdict, and the amount recovered by suit or otherwise as reimbursement for medical expenses *or other compensation* shall be for the benefit of the employer, or the special compensation fund, to the extent that the employer, or the special compensation fund, has paid or will be required to pay *compensation or for medical treatment* of the injured employee and (SHALL) *does* not affect the amount of periodic compensation to be paid.

(SUBD. 8. [STATE AS EMPLOYER.] IN EVERY CASE ARISING UNDER SUBDIVISION 5 WHEN THE STATE IS THE EMPLOYER AND A SETTLEMENT BETWEEN THE THIRD PARTY AND THE EMPLOYEE IS MADE IT IS NOT VALID UNLESS PRIOR NOTICE THEREOF IS GIVEN TO THE STATE WITHIN A REASONABLE TIME. IF THE STATE PAYS COMPENSATION TO THE EMPLOYEE UNDER THE PROVISIONS OF THIS CHAPTER AND BECOMES SUBROGATED TO THE RIGHTS OF THE EMPLOYEE OR HIS DEPENDENTS ANY SETTLEMENT BETWEEN THE EMPLOYEE OR HIS DEPENDENTS AND THE THIRD PARTY IS VOID AS AGAINST THE STATE'S RIGHT OF SUBROGATION. WHEN AN ACTION AT LAW IS INSTITUTED BY AN EMPLOYEE OR HIS DEPENDENTS AGAINST A THIRD PARTY FOR RECOVERY OF DAMAGES A COPY OF THE COMPLAINT AND NOTICE OF TRIAL OR NOTE OF ISSUE IN SUCH ACTION SHALL BE SERVED ON THE STATE. ANY JUDGMENT RENDERED THEREIN IS SUBJECT TO A LIEN OF THE STATE FOR THE AMOUNT TO WHICH IT IS ENTITLED TO BE SUBROGATED UNDER THE PROVISIONS OF SUBDIVISION 5.)

Subd. 8a. [NOTICE TO EMPLOYER.] In every case arising under subdivision 5, a settlement between the third party and the employee is not valid unless prior notice of the intention to settle is given to the employer within a reasonable time. If the employer or insurer pays compensation to the employee under the provisions of this chapter and becomes subrogated to the right of the employee or the employee's dependents or has a right of indemnity, any settlement between the employee or the employee's dependents and the third party is void as against the employer's right of subrogation or indemnity unless prior notice was given. When an action at law is instituted by an employee

or the employee's dependents against a third party for recovery of damages, a copy of the complaint and notice of trial or note of issue in the action shall be served on the employer or insurer. Any judgment rendered in the action is subject to a lien of the employer for the amount to which it is entitled to be subrogated or indemnified under the provisions of subdivision 5.

Subd. 9. [SERVICE OF NOTICE ON ATTORNEY GENERAL.] In every case in which the state is liable to pay compensation or is subrogated to the rights of the employee or (HIS) *the employee's dependents or has a right of indemnity*, all notices required to be given the state shall be served on the attorney general and the commissioner (OF THE DEPARTMENT OF LABOR AND INDUSTRY).

Sec. 32. Minnesota Statutes 1982, section 176.081, subdivision 1, is amended to read:

Subdivision 1. (NO CLAIM FOR LEGAL SERVICES OR DISBURSEMENTS PERTAINING TO ANY DEMAND MADE OR SUIT OR PROCEEDING BROUGHT UNDER THE PROVISIONS OF THIS CHAPTER IS AN ENFORCEABLE LIEN AGAINST THE COMPENSATION OR IS VALID OR BINDING IN ANY OTHER RESPECT UNLESS APPROVED IN WRITING BY THE DIVISION, A COMPENSATION JUDGE, A JUDGE OF THE DISTRICT COURT, OR THE WORKERS' COMPENSATION COURT OF APPEALS, IF THE CLAIM ARISES OUT OF A PROCEEDING FOR COMPENSATION UNDER THIS CHAPTER, OR BY THE JUDGE PRESIDING AT THE TRIAL IN AN ACTION FOR DAMAGES, OR BY A JUDGE OF THE DISTRICT COURT IN A SETTLEMENT OF A CLAIM FOR DAMAGES WITHOUT TRIAL. THE DIVISION, A COMPENSATION JUDGE, A JUDGE OF THE DISTRICT COURT OR THE WORKERS' COMPENSATION COURT OF APPEALS SHALL IN MATTERS BEFORE THEM, INCLUDING SETTLEMENT PROCEEDINGS, HAVE AUTHORITY TO APPROVE) (a) A fee for legal services of (UP TO) 25 percent of the first \$4,000 of compensation awarded to the employee and (UP TO) 20 percent of the next \$27,500 of compensation awarded to employee is permissible and does not require approval by the commissioner, compensation judge, or any other party except as provided in clause (b). If the employer or (HIS) the insurer or the defendant is given written notice of (SUCH) claims for legal services or disbursements, the (SAME) claim shall be a lien against the amount paid or payable as compensation (, SUBJECT TO DETERMINATION OF THE AMOUNT AND APPROVAL PROVIDED BY THIS CHAPTER). (PROVIDED, HOWEVER, THAT) In no case shall fees be calculated on the basis of any undisputed portion of compensation awards. Allowable fees under this chapter shall be based solely upon genuinely disputed portions of claims, *including disputes related to the payment of rehabilitation benefits or to other aspects of a rehabilitation plan.*

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

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

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

Sec. 33. Minnesota Statutes 1982, section 176.081, subdivision 2, is amended to read:

Subd. 2. (ANY) *An application for attorney fees in excess of the amount authorized in subdivision 1 shall be made to the (WORKERS' COMPENSATION COURT OF APPEALS) division, compensation judge, or district judge, before whom the matter was heard. An appeal of a decision on additional fees may be made to the workers' compensation court of appeals. The application shall set forth the fee requested and the basis for (SUCH) the request and whether or not a hearing is requested. The application, with affidavit of service upon the employee, shall be filed by the attorney requesting the fee. If a hearing is requested by an interested party, a hearing shall be set with notice of (SUCH) the hearing served upon known interested parties. In all cases the employee shall be served with notice of hearing.*

Sec. 34. Minnesota Statutes 1982, section 176.081, subdivision 5, is amended to read:

Subd. 5. In the determination of (THE REASONABLE VALUE OF ATTORNEY FEES ARISING OUT OF A CLAIM OR PROCEEDING UNDER THIS CHAPTER) *an award of fees in excess of the amount authorized under subdivision 1, the following principles are to be applied:*

(a) The fee in each individual case must be a reasonable one.

(b) There is no set standard fee to be awarded in any workers' compensation matter.

(c) No attorney-client fee contract or arrangement is binding in any workers' compensation matter.

(d) In determining a reasonable attorney fee, important factors to be taken into account are: the amount involved, the time and expense necessary to prepare for trial, the responsibility assumed by counsel, the expertise of counsel in the workers' compensation field, the difficulties of the issues involved, the nature of proof needed to be adduced and the results obtained. The amount of money involved shall not be the controlling factor.

(e) The determination of the fee in each specific workers' compensation matter must be done with the same care as the determination of any other fact question in the matter.

(f) The determiner of the attorney fee in each matter must ascertain whether or not a retainer fee has been paid to the attorney and if so, the amount of the retainer fee.

(g) The determiner of attorney fees in each case must personally see that the workers' compensation file contains fully adequate information to justify the fee that is determined.

Sec. 35. Minnesota Statutes 1982, section 176.081, subdivision 6, is amended to read:

Subd. 6. The *commissioner, office of administrative hearings and the workers' compensation court of appeals* may adopt reasonable and proper *joint* rules to effect (ITS) *each of their obligations* under this section.

Sec. 36. Minnesota Statutes 1982, section 176.081, subdivision 7, is amended to read:

Subd. 7. If the employer or insurer (SHALL FILE) *files a denial of liability, notice of discontinuance, or (SHALL FAIL) fails to make payment of compensation or medical expenses within the statutory period after notice of injury or occupational disease, or (SHALL) otherwise (RESIST) unsuccessfully resists the payment of compensation or medical expenses, or unsuccessfully disputes the payment of rehabilitation benefits or other aspects of a rehabilitation plan,* and the injured person (SHALL HAVE) *has employed an attorney at law, who successfully procures payment on behalf of the employee or who enables the resolution of a dispute with respect to a rehabilitation plan,* the compensation judge, commissioner of the department of labor and industry, or the workers' compensation court of appeals upon appeal, upon application, shall award to the employee against the insurer or self-insured employer or uninsured em-

ployer, in addition to the compensation benefits paid or awarded to the employee, an amount equal to 25 percent of that portion of the attorney's fee which has been awarded pursuant to this section that is in excess of \$250.

Sec. 37. Minnesota Statutes 1982, section 176.081, is amended by adding a subdivision to read:

Subd. 11. [WHEN FEES DUE.] Attorney fees and other disbursements for a proceeding under this chapter shall not be due or paid until the issue for which the fee or disbursement was incurred has been resolved.

Sec. 38. Minnesota Statutes 1982, section 176.101, subdivision 2, is amended to read:

Subd. 2. [TEMPORARY PARTIAL DISABILITY.] In all cases of temporary partial disability the compensation shall be 66-2/3 percent of the difference between the (DAILY) *weekly* wage of the (WORKER) *employee* at the time of injury and the wage (HE) *the employee* is able to earn in (HIS) *the employee's* partially disabled condition. This compensation shall be paid during the period of disability *except as provided in section 176.101*, payment to be made at the intervals when the wage was payable, as nearly as may be, and subject to a maximum compensation equal to the statewide average weekly wage. (IF THE EMPLOYER DOES NOT FURNISH THE WORKER WITH WORK WHICH HE CAN DO IN HIS TEMPORARY PARTIALLY DISABLED CONDITION AND HE IS UNABLE TO PROCURE SUCH WORK WITH ANOTHER EMPLOYER, AFTER REASONABLY DILIGENT EFFORT, THE EMPLOYEE SHALL BE PAID AT THE FULL COMPENSATION RATE FOR HIS OR HER TEMPORARY TOTAL DISABILITY.)

Sec. 39. Minnesota Statutes 1982, section 176.101, subdivision 3, is amended to read:

Subd. 3 [PERMANENT PARTIAL DISABILITY.] For permanent partial disability compensation shall be that named in the following schedule, subject to a maximum compensation equal to the statewide weekly wage:

(1) For the loss of a thumb, 66-2/3 percent of the daily wage at the time of injury during 65 weeks;

(2) For the loss of a first finger, commonly called index finger, 66 2/3 percent of the daily wage at the time of injury during 40 weeks;

(3) For the loss of a second finger, 66 2/3 percent of the daily wage at the time of injury during 35 weeks;

(4) For the loss of a third finger, $66\frac{2}{3}$ percent of the daily wage at the time of injury during 25 weeks;

(5) For the loss of a fourth finger, commonly called the little finger, $66\frac{2}{3}$ percent of the daily wage at the time of injury during 20 weeks;

(6) The loss of the first phalange of the thumb or of any finger, is considered equal to the loss of one-half of the thumb or finger and compensation shall be paid at the prescribed rate during one-half the time specified for the loss of the thumb or finger;

(7) The loss of one and one-half or more phalanges is considered equal to the loss of the entire finger or thumb; but in no case shall the amount received for more than one finger exceed the amount provided in this schedule for the loss of a hand;

(8) For the loss of a great toe, $66\frac{2}{3}$ percent of the daily wage at the time of injury during 35 weeks;

(9) For the loss of a toe other than a great toe, $66\frac{2}{3}$ percent of the daily wage at the time of injury during 15 weeks;

(10) The loss of the first phalange of any toe is considered equal to the loss of one-half of the toe, and compensation shall be paid at the prescribed rate during one-half the time specified for the loss of the toe;

(11) The loss of one and one-half or more phalanges is considered equal to the loss of the entire toe;

(12) For the loss of a hand, not including the wrist movement, $66\frac{2}{3}$ percent of the daily wage at the time of injury during 195 weeks;

(13) For the loss of a hand, including wrist movement, $66\frac{2}{3}$ percent of the daily wage at the time of injury during 220 weeks;

(14) For the loss of an arm, $66\frac{2}{3}$ percent of the daily wage at the time of injury during 270 weeks;

(15) Amputation of the arm below the elbow is considered the loss of a hand, including wrist movement, if enough of the forearm remains to permit the use of an effective artificial member, otherwise it is considered the loss of an arm;

(16) For the loss of a foot, not including ankle movement, $66\frac{2}{3}$ percent of the daily wage at the time of injury during 140 weeks;

(17) For the loss of a foot, including ankle movement, $66 \frac{2}{3}$ percent of the daily wage at the time of injury during 165 weeks;

(18) For the loss of a leg, if enough of the leg remains to permit the use of an effective artificial member, $66 \frac{2}{3}$ percent of the daily wage at the time of injury during 195 weeks;

(19) For the loss of a leg so close to the hip that no effective artificial member can be used, $66 \frac{2}{3}$ percent of the daily wage at the time of injury during 220 weeks;

(20) Amputation of a leg below the knee is considered as equal to the loss of a foot, including ankle movement, if enough of the lower leg remains to permit the use of an effective artificial member, otherwise it is considered as equal to the loss of a leg;

(21) For the loss of an eye, $66 \frac{2}{3}$ percent of the daily wage at the time of injury during 160 weeks;

(22) For the complete permanent loss of hearing in one ear, $66 \frac{2}{3}$ percent of the daily wage at the time of injury during 85 weeks;

(23) For the complete permanent loss of hearing in both ears, $66 \frac{2}{3}$ percent of the daily wage at the time of injury during 170 weeks;

(24) For the loss of an eye and a leg, $66 \frac{2}{3}$ percent of the daily wage at the time of injury during 475 weeks;

(25) For the loss of an eye and an arm, $66 \frac{2}{3}$ percent of the daily wage at the time of injury during 475 weeks;

(26) For the loss of an eye and a hand, $66 \frac{2}{3}$ percent of the daily wage at the time of injury during 450 weeks;

(27) For the loss of an eye and a foot, $66 \frac{2}{3}$ percent of the daily wage at the time of injury during 400 weeks;

(28) For the loss of two arms, other than at the shoulder, $66 \frac{2}{3}$ percent of the daily wage at the time of injury during 500 weeks;

(29) For the loss of two hands, $66 \frac{2}{3}$ percent of the daily wage at the time of injury during 500 weeks;

(30) For the loss of two legs, other than so close to the hips that no effective artificial member can be used, $66 \frac{2}{3}$ percent of the daily wage at the time of injury during 500 weeks;

(31) For the loss of two feet, 66 $\frac{2}{3}$ percent of the daily wage at the time of injury during 500 weeks;

(32) For the loss of one arm and the other hand, 66 $\frac{2}{3}$ percent of the daily wage at the time of injury during 500 weeks;

(33) For the loss of one hand and one foot, 66 $\frac{2}{3}$ percent of the daily wage at the time of injury during 500 weeks;

(34) For the loss of one leg and the other foot, 66 $\frac{2}{3}$ percent of the daily wage at the time of injury during 500 weeks;

(35) For the loss of one leg and one hand, 66 $\frac{2}{3}$ percent of the daily wage at the time of injury during 500 weeks;

(36) For the loss of one arm and one foot, 66 $\frac{2}{3}$ percent of the daily wage at the time of injury during 500 weeks;

(37) For the loss of one arm and one leg, 66 $\frac{2}{3}$ percent of the daily wage at the time of injury during 500 weeks;

(38) For loss of the voice mechanism, 66 $\frac{2}{3}$ percent of the daily wage at the time of injury during 500 weeks;

(39) For head injuries, 66 $\frac{2}{3}$ percent of the daily wage at the time of injury for that proportion of 500 weeks which is represented by its percentage of the permanent partial disability to the entire body as is determined from competent testimony at a hearing before a compensation judge or as determined by the workers' compensation court of appeals in cases on appeal;

(40) For permanent partial disability resulting from injury to any internal organ until such time as the commissioner of labor and industry shall promulgate a schedule of internal organs and thereafter for internal organs covered by the schedule of internal organs established by the commissioner, 66 $\frac{2}{3}$ percent of the daily wage at time of injury for that proportion of 500 weeks, not to exceed 500 weeks, as determined by the commissioner, which is the proportionate amount of permanent partial disability caused to the entire body by the injury as is determined from competent testimony at a hearing before a compensation judge or the workers' compensation court of appeals;

(41) For disfigurement or scarring not resulting from the loss of a member or other injury specifically compensated, affecting the employability or advancement opportunity of the injured person in the employment in which he was injured or other employment for which the employee is then qualified or for which the employee has become qualified, 66 $\frac{2}{3}$ percent of the daily wage at the time of injury during the period the parties agree to or the compensation judge or the workers' compensation court

of appeals in cases on appeal determines, not exceeding 90 weeks;

(42) For permanent partial disability resulting from injury to the back, 66 $\frac{2}{3}$ percent of the daily wage at the time of injury for that proportion of 350 weeks which is represented by the percentage of the permanent partial disability as is determined from competent testimony at a hearing before a compensation judge, the commissioner, or the workers' compensation court of appeals;

(43) When an employee sustains concurrent injuries resulting in concurrent disabilities he shall receive compensation only for the injury which entitled him to the largest amount of compensation, but this does not affect liability for disfigurement affecting the employability of the injured person or liability for the concurrent loss of more than one member, for which members compensations are provided in the specific schedule and in subdivision 5;

(44) In all cases of permanent partial disability it is considered that the permanent loss of the use of a member is equivalent to and draws the same compensation as the loss of that member, but the compensation in and by this schedule provided shall be in lieu of all other compensation in these cases, except as otherwise provided by this section;

In the event a worker has been awarded or is entitled to receive compensation for loss of use of a member under any workers' compensation law, and thereafter sustains loss of the member under circumstances entitling him to compensation therefor under this subdivision, the amount of compensation awarded, or that he is entitled to receive, for the loss of use, is to be deducted from the compensation due under the schedules of this section for the loss of the member, provided, that the amount of compensation due for the loss of the member caused by the subsequent accident is in no case less than 25 percent of the compensation payable under the schedule of this section for the loss of the member;

(45) In cases of permanent partial disability due to injury to a member, resulting in less than total loss of the member, not otherwise compensated in this schedule, compensation shall be paid at the prescribed rate during that part of the time specified in the schedule for the total loss of the member which the extent of the injury to the member bears to its total loss;

(46) In cases of permanent partial disability caused by simultaneous injury to two or more members, the applicable schedules in this subdivision shall be increased by 15 percent. This clause shall not apply when the injuries are compensated under paragraphs 22 to 37 inclusive, of this subdivision. In cases of partial disability due to injury to both eyes resulting in less than total loss of vision in one or both eyes compensation shall be

paid at the prescribed rate during that part of 450 weeks which the extent of the combined injury to both eyes bears to the complete loss of industrial vision;

(47) The commissioner may make or revise rules for the determination of the extent of the impairment of the industrial use of one or both eyes taking into account all primary coordinate factors of vision. These rules shall be made or revised after consultation with experts on industrial vision and after public notice to and hearing of interested parties;

(48) For permanent partial disability resulting from injury to the body as a whole due to burns, $66\frac{2}{3}$ percent of the daily wage at the time of injury, for that proportion of 350 weeks which is represented by the percentage of the permanent partial disability as is determined from competent testimony at a hearing before a compensation judge or as determined by the workers' compensation court of appeals in cases on appeal, the compensation to be paid in addition to the compensation as employee would otherwise be entitled to for loss of use of a member in accordance with this section;

(49) In all cases of permanent partial disability not enumerated in this schedule the compensation shall be $66\frac{2}{3}$ percent of the difference between the daily wage of the worker at the time of the injury and the daily wage he is able to earn in his partially disabled condition, subject to a maximum equal to the statewide average weekly wage, and continue during disability, not to exceed 350 weeks; and if the employer does not furnish the worker with work which he can do in his permanently partially disabled condition and he is unable to secure such work with another employer after a reasonably diligent effort, the employee shall be paid at his or her maximum rate of compensation for total disability.

This subdivision applies to a permanent partial disability incurred before the effective date of the rules adopted under section 176.105, subdivision 4.

Sec. 40. Minnesota Statutes 1982, section 176.101, is amended by adding a subdivision to read:

Subd. 3a. [ECONOMIC RECOVERY COMPENSATION.]
If an employee is not eligible for an impairment award pursuant to subdivision 3b, then the employee shall receive economic recovery compensation for a permanent partial disability pursuant to this subdivision. The compensation shall be $66\frac{2}{3}$ percent of the weekly wage at the time of injury subject to a maximum equal to the statewide average weekly wage. For permanent partial disability up to the percent of the whole body in the following schedule, the compensation shall be paid for the proportion that the loss of function of the disabled part bears to the

whole body multiplied by the number of weeks aligned with that percent.

<i>Percent of disability</i>	<i>Weeks of compensation</i>
0-25	600
26-30	640
31-35	680
36-40	720
41-45	760
46-50	800
51-55	880
56-60	960
61-65	1040
66-70	1120
71-100	1200

The percentage loss in all cases under this subdivision is determined according to the rules adopted by the commissioner pursuant to section 176.105, subdivision 4. This subdivision shall apply to a permanent partial disability incurred on or after the adoption of those rules.

Sec. 41. Minnesota Statutes 1982, section 176.101, is amended by adding a subdivision to read:

Subd. 3b. [IMPAIRMENT COMPENSATION.] An employee who suffers a permanent partial disability due to a personal injury and receives impairment compensation under this section shall receive compensation in an amount as provided by this subdivision. For permanent partial disability up to the percent of the whole body shown in the following schedule the amount shall be equal to the proportion that the loss of function of the disabled part bears to the whole body multiplied by the amount aligned with that percent in the following schedule:

<i>Percent of disability</i>	<i>Amount</i>
0-25	75,000
26-30	80,000

31-35	85,000
36-40	90,000
41-45	95,000
46-50	100,000
51-55	120,000
56-60	140,000
61-65	160,000
66-70	180,000
71-75	200,000
76-80	240,000
81-85	280,000
86-90	320,000
91-95	360,000
96-100	400,000

For all cases under this subdivision the percentage loss of function of a part of the body is determined by the commissioner pursuant to section 176.105, subdivision 4. This subdivision shall apply to a permanent partial disability incurred on or after the adoption of those rules.

Sec. 42. Minnesota Statutes 1982, section 176.101, is amended by adding a subdivision to read:

Subd. 3c. [MAXIMUM PAYABLE.] The maximum amount payable under subdivisions 3a and 3b is the maximum compensation payable to an employee who has a disability to the body as a whole and under no conditions shall an employee receive more than those amounts even if the employee sustains a disability to two or more body parts.

Sec. 43. Minnesota Statutes 1982, section 176.101, is amended by adding a subdivision to read:

Subd. 3d. [GENERAL.] An employee who has incurred a personal injury shall receive temporary total compensation until these benefits are no longer payable pursuant to this section. If

the injury results in a permanent partial disability, the employee shall receive compensation as provided in this section.

Sec. 44. Minnesota Statutes 1982, section 176.101, is amended by adding a subdivision to read:

Subd. 3e. [END OF TEMPORARY TOTAL COMPENSATION.] (a) 90 days after an employee has reached maximum medical improvement or 90 days after the end of an approved retraining program, whichever is later, the employee's temporary total compensation shall cease. This cessation shall occur at an earlier date if otherwise provided by this section. If prior to the termination of this 90-day period the employee retires or the employer furnishes work to the employee that the employee can do in his or her physical condition and that job produces an economic status as close as possible to that the employee would have enjoyed without the disability, or the employer procures this employment with another employer or the employee accepts this job with another employer, temporary total compensation shall cease. If the injury resulted in permanent partial disability, the employee shall receive impairment compensation pursuant to subdivision 3b. This impairment compensation is in lieu of economic recovery compensation under subdivision 3a, and the employee shall not receive both economic recovery compensation and impairment compensation for the same disability. Temporary total compensation and impairment compensation shall not be paid concurrently. Once temporary total compensation ceases no further temporary total compensation is payable except as specifically provided in this section.

(b) If the job offered under clause (a) is not the job the employee had at the time of injury it shall be in writing and shall state the nature of the job, the rate of pay, the physical requirements of the job, an agreement to pay temporary partial compensation if appropriate, and any other information necessary to fully and completely inform the employee of the job duties and responsibilities.

The employee has 14 calendar days to accept or reject the job offer. If the employee does not respond within this period it is deemed a refusal of the offer.

(c) Self employment may be an appropriate job under this subdivision.

The commissioner shall monitor application of this subdivision and may adopt rules to assure its proper application.

Sec. 45. Minnesota Statutes 1982, section 176.101, is amended by adding a subdivision to read:

Subd. 3f. [ACCEPTANCE OF JOB OFFER.] If the employee accepts a job offer described in subdivision 3e and begins work at that job, the impairment compensation shall be paid in a lump sum 30 calendar days after the return to work.

Sec. 46. Minnesota Statutes 1982, section 176.101, is amended by adding a subdivision to read:

Subd. 3g. [TEMPORARY PARTIAL COMPENSATION.] An employee who accepts a job under subdivision 3e and begins that job shall receive temporary partial compensation pursuant to subdivision 2, if appropriate.

Sec. 47. Minnesota Statutes 1982, section 176.101, is amended by adding a subdivision to read:

Subd. 3h. [LAYOFF BECAUSE OF LACK OF WORK OR RELEASED FOR OTHER THAN SEASONAL CONDITIONS.] (a) If an employee accepts a job under subdivision 3e and begins work at that job and is subsequently unemployed because of economic conditions, other than seasonal conditions, the employee shall receive monitoring period compensation pursuant to clause (b). In addition, the employer who was the employer at the time of the injury shall provide rehabilitation consultation by a qualified rehabilitation consultant if the employee remains unemployed for 45 calendar days. The commissioner may waive this rehabilitation consultation if the commissioner deems it appropriate. Further rehabilitation, if deemed appropriate, is governed by section 176.102.

(b) Upon the employee's initial return to work the monitoring period begins to run. If the employee is unemployed for the reason in clause (a), prior to the end of the monitoring period the employee shall receive monitoring period compensation. This compensation shall be paid for the lesser of (1) the weeks remaining in the monitoring period, or (2) the weeks equal to the monitoring period minus the impairment compensation paid to the employee. For purposes of this clause the impairment compensation shall be converted to weeks by dividing the impairment compensation received by the employee by the employee's compensation rate for temporary total disability at the time of the injury. No monitoring period compensation is payable if the unemployment occurs after the expiration of the monitoring period. Monitoring period compensation is payable at the same intervals and amount as temporary total compensation was paid.

(c) If the employee returns to work and is still receiving monitoring period compensation, this compensation shall cease. Any period remaining in the monitoring period upon this return to work shall be used to determine further benefits if the employee is again unemployed under clause (a).

(d) Upon the employee's return to work pursuant to this section the employer shall notify the employee of the length of the employee's monitoring period and shall notify the employee of the amount of impairment to be paid and the date of payment.

Sec. 48. Minnesota Statutes 1982, section 176.101, is amended by adding a subdivision to read:

Subd. 3i. [MEDICALLY UNABLE TO CONTINUE WORK.] (a) If the employee has started the job offered under subdivision 3e and is medically unable to continue at that job, that employee shall receive compensation pursuant to clause (b). In addition, the employer who was the employer at the time of the injury shall provide rehabilitation consultation by a qualified rehabilitation consultant. Further rehabilitation, if deemed appropriate, is governed by section 176.102.

(b) Compensation shall be paid for up to 90 days after the employee has reached maximum medical improvement or 90 days after the end of an approved retraining plan or 90 days after the employee has ceased work because of medical inability to continue, whichever is later. The temporary total compensation shall cease at any time within the 90-day period that the employee begins work meeting the requirements of subdivision 3e. If no such job is offered to the employee by the end of this 90-day period, the employee shall receive economic recovery compensation pursuant to this section except that this economic recovery compensation shall be reduced by the impairment compensation previously received by the employee for the same disability.

Sec. 49. Minnesota Statutes 1982, section 176.101, is amended by adding a subdivision to read:

Subd. 3j. [UNEMPLOYMENT DUE TO SEASONAL CONDITION.] If an employee has started the job offered under subdivision 3e and is subsequently unemployed from that job because of the job's seasonal nature, the employee shall receive any unemployment compensation the employee is eligible for pursuant to chapter 263. The employee shall receive, in addition and concurrently, the amount that the employee was receiving for temporary partial disability at the time of the layoff. No further or additional compensation is payable under this chapter because of the seasonal layoff.

Sec. 50. Minnesota Statutes 1982, section 176.101, is amended by adding a subdivision to read:

Subd. 3k. [FAILURE TO ACCEPT JOB OFFER.] If the employee has been offered a job under subdivision 3e and has refused the offer for reasons other than the employee is in an approved retraining program, the impairment compensation shall not be paid in a lump sum but shall be paid in the same interval and amount that temporary total compensation was paid. Tempo-

rary total compensation shall cease upon the employee's refusal to accept the job offered and no further or additional temporary total compensation is payable. The payment of the periodic impairment compensation shall cease when the amount the employee is eligible to receive under subdivision 3b is reached, after which time the employee shall not receive additional impairment compensation or any other compensation under this chapter unless the employee has a greater permanent partial disability than already compensated for.

Sec. 51. Minnesota Statutes 1982, section 176.101, is amended by adding a subdivision to read:

Subd. 3l. [RETURN TO WORK AFTER REFUSAL OF JOB OFFER.] If the employee has refused the job offer under subdivision 3e and is receiving periodic impairment compensation and returns to work at another job, the employee shall receive the remaining impairment compensation due, in a lump sum, 30 days after return to work.

Sec. 52. Minnesota Statutes 1982, section 176.101, is amended by adding a subdivision to read:

Subd. 3m. [NO TEMPORARY PARTIAL COMPENSATION OR REHABILITATION IF JOB OFFER REFUSED.] An employee who has been offered a job under subdivision 3 and who has refused the offer and who subsequently returns to work shall not receive temporary partial compensation pursuant to subdivision 2 if the job the employee returns to provides a wage less than the wage at the time of the injury. No rehabilitation shall be provided to this employee.

Sec. 53. Minnesota Statutes 1982, section 176.101, is amended by adding a subdivision to read:

Subd. 3n. [INABILITY TO RETURN TO WORK.] (a) An employee who is permanently totally disabled pursuant to subdivision 5 shall receive impairment compensation pursuant to subdivision 3b. This compensation is payable in addition to permanent total compensation pursuant to subdivision 4 and is payable concurrently. In this case the impairment compensation shall be paid in the same intervals and amount as the permanent total compensation is paid, and the impairment compensation shall cease when the amount due under subdivision 3b is reached. If this employee returns to work at any job during the period the impairment compensation is being paid, the remaining impairment compensation due shall be paid in a lump sum 30 days after the employee has returned to work and no further temporary total compensation shall be paid.

(b) If an employee is receiving or has received economic recovery compensation and is determined to be permanently totally disabled no offset shall be taken against permanent total compensation for the compensation paid. No further economic

recovery compensation is payable even if the amount due the employee pursuant to subdivision 3a has not yet been reached.

(c) If the employee has or is receiving impairment compensation and is determined to be permanently totally disabled no credit shall be taken for the compensation received. If any of this compensation remains to be paid, it shall cease and clause (d) of this subdivision applies.

(d) An employee who has received economic recovery compensation or impairment compensation and who meets the criteria under clause (b) or (c) of this subdivision shall receive impairment compensation pursuant to clause (a) of this subdivision even if the employee has previously received economic recovery compensation or impairment compensation for that disability.

(e) Rehabilitation consultation pursuant to section 176.102 shall be provided to an employee who is permanently totally disabled.

Sec. 54. Minnesota Statutes 1982, section 176.101, is amended by adding a subdivision to read:

Subd. 30. [NO JOB OFFER.] Where the employee has a permanent partial disability and has reached maximum medical improvement or upon completion of an approved retraining program, whichever is later, that employee shall receive economic recovery compensation pursuant to subdivision 3a if no job offer meeting the criteria of the job in subdivision 3e is made within 90 days after reaching maximum medical improvement or 90 days after the end of an approved retraining plan, whichever is later.

Temporary total compensation shall cease upon commencement of the payment of economic recovery compensation. Temporary total compensation shall not be paid concurrently with economic recovery compensation.

Sec. 55. Minnesota Statutes 1982, section 176.101, is amended by adding a subdivision to read:

Subd. 3p. [METHOD OF PAYMENT OF ECONOMIC RECOVERY COMPENSATION.] (a) Economic recovery compensation is payable at the same intervals and in the same amount as temporary total compensation was paid. If the employee returns to work and the economic recovery compensation is still being paid, the remaining economic recovery compensation due without further adjustments under section 176.645 shall be paid in a lump sum 30 days after the employee has returned to work.

(b) Periodic economic recovery compensation paid to the employee shall be adjusted pursuant to section 176.645.

Sec. 56. Minnesota Statutes 1982, section 176.101, is amended by adding a subdivision to read:

Subd. 3g. [PAYMENT OF COMPENSATION AT DEATH.] If an employee receiving economic recovery compensation or impairment compensation in periodic amounts dies during the period from causes unrelated to the injury, the compensation shall be paid in the following manner:

(a) If the deceased employee leaves a dependent surviving spouse and no dependent children, as defined by section 176.111, subdivision 1, the spouse shall receive the weekly economic recovery or impairment compensation that the deceased was receiving before the death. This compensation shall be paid for a period of up to ten years after the date of death at which time payments and future entitlement to it ceases.

(b) If the deceased employee leaves a dependent spouse and dependent children, as defined in section 176.111, subdivision 1, the periodic economic recovery or impairment compensation shall continue to be paid to the surviving spouse for up to ten years after the youngest child is no longer dependent after which time payments and future entitlement to the compensation ceases.

(c) Payment of compensation under this subdivision shall cease prior to the end of the ten-year periods in this subdivision if the amount to which the employee is entitled to receive under subdivision 3, 3a, or 3b, is reached prior to the end of the ten-year period. If the deceased employee is not survived by dependent children or a dependent spouse as defined by section 176.111, no further economic recovery compensation or impairment compensation is payable to any person under this subdivision.

(d) If the death results from the injury, the payment of economic recovery compensation or impairment compensation shall cease upon the death and death benefits are payable pursuant to section 176.111.

Sec. 57. Minnesota Statutes 1982, section 176.101, is amended by adding a subdivision to read:

Subd. 3r. [ADDITIONAL ECONOMIC RECOVERY COMPENSATION OR IMPAIRMENT COMPENSATION.] No additional economic recovery compensation or impairment compensation is payable to an employee who has received that compensation to which the employee is entitled pursuant to subdivision 3a or 3b unless the employee has a greater permanent partial disability than already compensated.

Sec. 58. Minnesota Statutes 1982, section 176.101, is amended by adding a subdivision to read:

Subd. 3s. [MINIMUM ECONOMIC RECOVERY COMPENSATION.] (a) Economic recovery compensation pursuant to this section shall be at least 120 percent of the impairment compensation the employee would receive if that compensation were payable to the employee. The monitoring period shall be at least 120 percent of the weeks during which impairment compensation would be payable if paid weekly.

(b) An employee who has suffered a personal injury for which temporary total compensation is payable but which produces no permanent partial disability shall receive 26 weeks of economic recovery compensation if no job is offered within the time specified in and meeting the criteria of subdivision 3e.

Sec. 59. Minnesota Statutes 1982, section 176.101, is amended by adding a subdivision to read:

Subd. 3t. [MEDICAL BENEFITS.] This section does not in any way limit the medical benefits to which an injured employee is otherwise entitled pursuant to this chapter.

Sec. 60. Minnesota Statutes 1982, section 176.101, is amended by adding a subdivision to read:

Subd. 3u. [ADMINISTRATIVE CONFERENCE.] The provisions of section 176.242 apply if there exists a dispute regarding maximum medical improvement or whether the job offered meets the criteria under subdivision 3e.

Sec. 61. Minnesota Statutes 1982, section 176.101, is amended by adding a subdivision to read:

Subd. 4a. [PREEXISTING CONDITION OR DISABILITY; APPORTIONMENT.] (a) If a personal injury results in a disability which is attributable in part to a preexisting disability that arises from a congenital condition or is the result of a traumatic injury or incident, whether or not compensable under this chapter, the compensation payable for the permanent partial disability pursuant to this section shall be reduced by the proportion of the disability which is attributable only to the preexisting disability. An apportionment of a permanent partial disability under this subdivision shall be made only if the preexisting disability is registered under section 176.131, or is clearly evidenced in a medical report or record made prior to the current personal injury. Evidence of registration or a copy of the medical report or record upon which apportionment is based shall be made available to the employee by the employer at the time compensation for the permanent partial disability is begun.

(b) The compensable portion of the permanent partial disability under this section shall be paid at the rate at which the

entire disability would be compensated but for the apportionment.

Sec. 62. Minnesota Statutes 1982, section 176.101, is amended by adding a subdivision to read:

Subd. 4b. [LEGISLATIVE INTENT.] The legislature reaffirms its intent that the reduction of compensation benefits pursuant to subdivision 4 is applicable after an employee has received a total of \$25,000 of weekly compensation including compensation under subdivisions 1, 2, and 4 of this section.

Sec. 63. Minnesota Statutes 1982, section 176.101, subdivision 6, is amended to read:

Subd. 6. [MINORS.] If any employee entitled to the benefits of this chapter is a minor or is an apprentice of any age and sustains a personal injury arising out of and in the course of employment resulting in permanent total or a compensable permanent partial disability, for the purpose of computing the compensation to which (HE) the employee is entitled for (SAID) the injury the compensation rate for temporary total, temporary partial, (RETRAINING,) a permanent partial or permanent total disability or economic recovery compensation shall be the (LARGER OF EITHER THE) statewide average weekly wage (OR THE EMPLOYEES WEEKLY WAGE, BUT IN NO CASE SHALL THE COMPENSATION EXCEED THE MAXIMUM WEEKLY COMPENSATION RATE PAYABLE UNDER THIS CHAPTER).

Sec. 64. Minnesota Statutes 1982, section 176.101, is amended by adding a subdivision to read:

Subd. 8. [RETIREMENT PRESUMPTION.] For injuries occurring after the effective date of this subdivision an employee who receives social security old age and survivors insurance retirement benefits is presumed retired from the labor market. This presumption is rebuttable by a preponderance of the evidence.

Sec. 65. Minnesota Statutes 1982, section 176.102, subdivision 1, is amended to read:

Subdivision 1. [SCOPE.] (VOCATIONAL) Rehabilitation (SHALL TRAIN AN) is intended to restore the injured employee, through physical and vocational rehabilitation, so (HE) the employee may (BE RETURNED) return to a job related to (HIS) the employee's former employment or to a job in another work area which produces an economic status as close as possible to that (HE) the employee would have enjoyed without disability. Rehabilitation to a job with a higher economic status than would have occurred without disability is permitted if it can

be demonstrated that this rehabilitation is necessary to increase the likelihood of reemployment. Economic status is to be measured not only by opportunity for immediate income but also by opportunity for future income.

Sec. 66. Minnesota Statutes 1982, section 176.102, subdivision 2, is amended to read:

Subd. 2. [ADMINISTRATORS.] The commissioner (OF LABOR AND INDUSTRY) shall hire a director of rehabilitation services in the classified service. The commissioner (OF LABOR AND INDUSTRY IS RESPONSIBLE FOR SUPERVISING) shall monitor and supervise rehabilitation services, including, but not limited to, making determinations regarding the selection and delivery of medical care and rehabilitation services and the criteria used to approve qualified rehabilitation consultants and rehabilitation vendors. The commissioner may also make determinations regarding fees for rehabilitation services, the fitness of qualified rehabilitation consultants and vendors to continue to be approved under this section and has authority to discipline, by fine or otherwise, the consultants or vendors who act in violation of this chapter or rules adopted pursuant to this chapter. The commissioner (OF LABOR AND INDUSTRY) may hire qualified personnel to assist in his duties under this section and may delegate his duties and performance.

Sec. 67. Minnesota Statutes 1982, section 176.102, subdivision 3, is amended to read:

Subd. 3. [REVIEW PANEL.] There is created a rehabilitation review panel composed of the commissioner (OF LABOR AND INDUSTRY) or (HIS) a designee, who shall serve as an ex officio member and two members each from (LABOR, EMPLOYERS,) insurers, (VOCATIONAL) rehabilitation, and medicine (AND), one member representing chiropractors, six members representing employers and six members representing labor. The members shall be appointed by the (GOVERNOR) commissioner and shall serve (FOUR YEAR) four-year terms which may be renewed. Compensation for members shall be governed by section 15.0575. The panel shall select a chairman. The panel shall ((A)) review and make a determination with respect to (a) appeals regarding eligibility for rehabilitation services, rehabilitation plans and rehabilitation benefits under subdivision 9; (b) (HOLD) appeals on any other rehabilitation issue the commissioner determines under this section; and (c) appeals regarding fee disputes, penalties, discipline, certification approval or revocation (OF CERTIFICATION APPROVAL HEARINGS; (C)) of registration of qualified rehabilitation consultants and approved vendors. The panel shall continuously study rehabilitation (;) services and delivery and ((D)) develop and recommend rehabilitation rules (AS NECESSARY) to the commissioner (OF LABOR AND INDUSTRY. A MAJORITY VOTE OF THOSE ATTENDING A PANEL HEAR-

ING UNDER SUBDIVISION 6 SHALL CONSTITUTE THE DECISION OF THE BOARD).

Sec. 68. Minnesota Statutes 1982, section 176.102, is amended by adding a subdivision to read:

Subd. 3a. [REVIEW PANEL APPEALS.] Appeals to the review panel shall be heard before a panel of five members designated by the review panel. Each five-member panel shall consist of two labor members, two employer or insurer members, and one member representing medicine or chiropractic or rehabilitation. The membership of panels shall rotate with each sitting and designations to serve must be evenly distributed. The determination of the five-member panel shall be by a majority vote and the determination shall represent the determination of the rehabilitation review panel. Such determinations are not subject to review by the panel as a whole. When conducting a review of the commissioner's determination regarding any rehabilitation issue or plan the panel shall give the parties notice that the appeal will be heard. This notice shall be given at least ten working days prior to the hearing. The notice shall state that parties may be represented by counsel at the hearing. In conducting its review the panel shall permit an interested party to present relevant, competent, oral or written evidence and to cross-examine opposing evidence. Evidence presented is not limited to the evidence previously submitted to the commissioner. A record of the proceeding shall be made by the panel. Upon determination of the issue presented, the panel shall issue to the interested parties a written decision and order. The decision need not contain a recitation of the evidence presented at the hearing, but shall be limited to the panel's basis for the decision. Appeals to the review panel are subject to appeal in the workers' compensation court of appeals.

Sec. 69. Minnesota Statutes 1982, section 176.102, subdivision 4, is amended to read:

Subd. 4. [REHABILITATION PLAN: DEVELOPMENT.] (WITHIN 30 DAYS OF THE TIME AN EMPLOYER OR HIS INSURER HAS MEDICAL INFORMATION THAT AN EMPLOYEE IS UNABLE DUE TO A PERSONAL INJURY OR OCCUPATIONAL DISEASE TO RETURN TO HIS PRE-INJURY OCCUPATION THE EMPLOYER SHALL PROVIDE REHABILITATION CONSULTATION FOR THE EMPLOYEE. THE EMPLOYEE, HOWEVER, HAS THE FINAL DECISION ON WHICH REHABILITATION AGENCY IS TO BE UTILIZED PURSUANT TO THE PROVISIONS OF THIS SECTION. THE CONSULTATION SHALL BE DONE BY ANY PERSON OR PUBLIC OR PRIVATE INSTITUTION APPROVED BY THE COMMISSIONER OF LABOR AND INDUSTRY. IF THE CONSULTANT DETERMINES REHABILITATION WOULD SIGNIFICANTLY REDUCE OR ELIMINATE THE DECREASE IN EMPLOYABILITY, THE

EMPLOYER OR INSURER IN CONJUNCTION WITH THE REHABILITATION CONSULTANT SHALL SUBMIT A SPECIFIC PLAN OF REHABILITATION TO THE COMMISSIONER. IF THE EMPLOYER DOES NOT PROVIDE REHABILITATION CONSULTATION, WHEN REQUIRED BY THIS SECTION, WITHIN THE TIME SPECIFIED BY THIS SUBDIVISION, THE COMMISSIONER OF LABOR AND INDUSTRY SHALL NOTIFY THE EMPLOYER AND INSURER THAT SHOULD THEY FAIL TO PROVIDE REHABILITATION CONSULTATION WITHIN 15 DAYS FROM THE RECEIPT OF THE COMMISSIONER'S NOTICE, THE DIVISION OF VOCATIONAL REHABILITATION SHALL BE AUTHORIZED TO PROVIDE THE REHABILITATION CONSULTATION FOR THE EMPLOYEE. IF THE EMPLOYEE REFUSES TO SUBMIT TO ANY REASONABLE EXAMINATIONS AND EVALUATIVE PROCEDURES TO DETERMINE THE NEED FOR AND THE DETAILS OF A PLAN OF REHABILITATION, THE AMOUNT OF COMPENSATION MAY BE REDUCED OR THE RIGHT TO COMPENSATION MAY BE SUSPENDED BY AN ORDER OF THE DIVISION OR WORKERS' COMPENSATION COURT OF APPEALS IN A MATTER BEFORE IT. IN DEVELOPING A PLAN, CONSIDERATION SHALL BE GIVEN TO THE EMPLOYEE'S AGE, EDUCATION, PREVIOUS WORK HISTORY, INTERESTS AND SKILLS.) (a) *An employer or insurer shall provide rehabilitation consultation by a qualified rehabilitation consultant to an injured employee within five days after the employee has 60 days of lost work time due to the personal injury, except as otherwise provided in this subdivision. Where an employee has incurred an injury to the back, the consultation shall be made within five days after the employee has 30 days of lost work time due to the injury. The lost work time in either case may be intermittent lost work time. If an employer or insurer has medical information at any time prior to the time specified in this subdivision that the employee will be unable to return to the job the employee held at the time of the injury rehabilitation consultation shall be made immediately after receipt of this information.*

For purposes of this section "lost work time" means only those days during which the employee would actually be working but for the injury. In the case of the construction industry, mining industry, or other industry where the hours and days of work are affected by seasonal conditions, "lost work time" shall be computed by using the normal schedule worked when employees are working full time.

If the employee objects to the employer's selection of a qualified rehabilitation consultant, the employee shall notify the employer and the commissioner in writing of the objection.

Upon receipt of the notice of objection, the commissioner may schedule an administrative conference for the purpose of determining which qualified rehabilitation consultant may be mu-

tually acceptable. The employee has the final decision on which qualified rehabilitation consultant is to be utilized.

The employee and employer shall enter into a program if one is prescribed in a rehabilitation plan. A copy of the plan, including a target date for return to work, shall be submitted to the commissioner.

(b) If the employer does not provide rehabilitation consultation as required by this section, the commissioner shall notify the employer that if the employer fails to appoint a qualified rehabilitation consultant within 15 days to conduct a rehabilitation consultation, the commissioner shall appoint a qualified rehabilitation consultant to provide the consultation at the expense of the employer unless the commissioner determines the consultation is not required.

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

(d) The commissioner may waive rehabilitation consultation under this section if the commissioner is satisfied that the employee will return to work in the near future or that rehabilitation consultation will not be useful in returning an employee to work.

Sec. 70. Minnesota Statutes 1982, section 176.102, subdivision 5, is amended to read:

Subd. 5. [ON THE JOB TRAINING.] On the job training is to be given consideration in developing a rehabilitation plan especially where it would produce an economic status similar to that enjoyed prior to disability. (WHEN A REHABILITATION PLAN INCLUDES ON THE JOB TRAINING, THE EMPLOYEE SHALL RECEIVE COMPENSATION WHILE EMPLOYED IN AN AMOUNT EQUAL TO THE AFTER TAX WAGE THE EMPLOYEE RECEIVED AT THE TIME OF THE PERSONAL INJURY. THIS COMPENSATION SHALL BE PAID IN WHOLE OR IN PART BY THE INSURER LIABLE FOR COMPENSATION FOR THE EMPLOYEE'S PERSONAL INJURY. THE AMOUNT OF COMPENSATION TO BE PAID BY THIS INSURER SHALL BE DETERMINED IN THE REHABILITATION PLAN PREPARED PURSUANT TO THIS SECTION. ANY DIFFERENCE BETWEEN THE AMOUNT OF COMPENSATION THE INSURER IS PAYING AND THE AFTER TAX WAGE THE EMPLOYEE RECEIVED AT THE TIME OF THE PERSONAL INJURY SHALL BE PAID BY THE ON THE JOB EMPLOYER, BUT IN NO CASE SHALL THIS EMPLOYER'S AMOUNT EXCEED THE PREVAILING WAGE FOR THE JOB. AFTER TAX WAGE SHALL BE DETERMINED BY

SUBTRACTING FEDERAL AND STATE INCOME TAX FROM THE EMPLOYEE'S GROSS WAGE.)

(A REHABILITATION PLAN WHICH INCLUDES ON THE JOB TRAINING SHALL ATTEMPT TO CREATE AN INCENTIVE FOR AN EMPLOYER TO HIRE THE EMPLOYEE FOR ON THE JOB TRAINING. THIS INCENTIVE MAY BE IN THE FORM OF REDUCING THE ON THE JOB TRAINING EMPLOYER'S WAGES PAID TO THE EMPLOYEE TO A LEVEL WHICH IS LESS THAN THE PREVAILING WAGE FOR THE JOB, PROVIDED THAT THE TOTAL COMPENSATION FROM THE INSURER, REQUIRED BY THIS SECTION, AND THE WAGES PAID BY THE ON THE JOB TRAINING EMPLOYER IS NOT LESS THAN THE AFTER TAX WAGE RECEIVED BY THE EMPLOYEE AT THE TIME OF THE PERSONAL INJURY. THE COMPENSATION FROM THE INSURER AND THE ON THE JOB TRAINING EMPLOYER PAID PURSUANT TO THIS SUBDIVISION IS IN LIEU OF TEMPORARY TOTAL DISABILITY PAYMENTS AND THE ADDITIONAL COMPENSATION PROVIDED IN SUBDIVISION 11.)

Sec. 71. Minnesota Statutes 1982, section 176.102, subdivision 6, is amended to read:

Subd. 6. [PLAN, ELIGIBILITY FOR REHABILITATION, APPROVAL AND APPEAL.] The commissioner (OF LABOR AND INDUSTRY) shall *determine eligibility for rehabilitation services and shall review, approve, modify or reject rehabilitation plans developed under subdivision 4. The commissioner shall also make determinations regarding rehabilitation issues not necessarily part of a plan including, but not limited to, determinations regarding whether an employee is eligible for further rehabilitation and the benefits under subdivision 9 to which an employee is entitled.* (ANY PERSONS AGGRIEVED BY) A decision of the commissioner may (APPEAL) *be appealed* to the rehabilitation review panel within 30 days of the commissioner's decision. The decision of the panel may be appealed to the workers' compensation court of appeals *in the same manner as other matters appealed to the court.* (THE PANEL MAY APPROVE OR REJECT THE DECISION OF THE COMMISSIONER. IF IT REJECTS THE COMMISSIONER'S DECISION IT MAY FORMULATE ITS OWN REHABILITATION PLAN.)

Sec. 72 Minnesota Statutes 1982, section 176.102, is amended by adding a subdivision to read:

Subd. 6a. [ELIGIBILITY DETERMINATION.] *The commissioner has the sole authority under this chapter to determine eligibility for rehabilitation services under this section and to review, approve, modify, or reject rehabilitation plans and make*

other rehabilitation determinations pursuant to this chapter. These determinations shall not be made by a compensation judge but may be appealed to the rehabilitation review panel and workers' compensation court of appeals as provided by subdivision 6.

Sec. 73. Minnesota Statutes 1982, section 176.102, subdivision 7, is amended to read:

Subd. 7. [PLAN IMPLEMENTATION; REPORTS.] Upon request by the commissioner, insurer (OR), employer, or employee, medical and rehabilitation reports shall be made by the provider of the medical and rehabilitation service to the commissioner (OF LABOR AND INDUSTRY), insurer (AND), employer, and employee (OF AN EMPLOYEE'S PROGRESS UNDER A PLAN).

Sec. 74. Minnesota Statutes 1982, section 176.102, subdivision 8, is amended to read:

Subd. 8. [PLAN MODIFICATION.] Upon request (OF) to the commissioner by the employer, the insurer, or employee (TO THE COMMISSIONER), or upon the commissioner's own request, the plan may be suspended, terminated or altered upon a showing of good cause (THEREFOR), including:

(a) a physical impairment that does not allow the employee to pursue the (VOCATION BEING TRAINED FOR) *rehabilitation plan*;

(b) the employee's performance level indicates (HE CAN NOT COMPLETE) the plan *will not be successfully completed*; (OR)

(c) an employee does not cooperate with a plan; or

(d) *that the plan or its administration is substantially inadequate to achieve the rehabilitation plan objectives.*

An employee may request a change in a rehabilitation plan once because (HE) *the employee* feels (HE IS NOT SUITED) *ill-suited* for the type of work for which (TRAINING) *rehabilitation* is being provided (IF THE REQUEST IS MADE WITHIN 90 DAYS OF THE START OF THE PLAN). *If the rehabilitation plan includes retraining, this request must be made within 90 days of the beginning of the retraining program.* Any decision of the commissioner regarding a change in a plan may be appealed to the *rehabilitation review panel* within (15) 30 days of the decision.

Sec. 75. Minnesota Statutes 1982, section 176.102, subdivision 9, is amended to read:

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

(a) Cost of (VOCATIONAL) rehabilitation (DIAGNOSIS) *evaluation* and preparation of a plan;

(b) Cost of all rehabilitation services and supplies necessary for implementation of the plan;

(c) Reasonable cost of tuition, books and travel; and, in addition, reasonable costs of board (AND), lodging *and custodial daycare* when rehabilitation requires residence away from the employee's customary residence; (AND)

(d) *Reasonable cost of travel and custodial daycare during the job interview process;*

(e) *Reasonable cost for moving expenses of the employee and family if a job is found in a geographic area beyond reasonable commuting distance after a diligent search within the present community. Relocation shall not be paid more than once during any rehabilitation program, and relocation shall not be required if the new job is located within the same standard metropolitan statistical area as the employee's job at the time of injury; and*

(f) Any other expense agreed to be paid.

Sec. 76. Minnesota Statutes 1982, section 176.102, subdivision 10, is amended to read:

Subd. 10. [REHABILITATION; CONSULTANTS.] The commissioner shall approve rehabilitation consultants who may propose and implement plans if they satisfy rules (PROMULGATED) *adopted* by the commissioner for rehabilitation consultants. A consultant may be an individual or public or private entity, *but may not be a vendor or the agent of a vendor of rehabilitation services.*

Sec. 77. Minnesota Statutes 1982, section 176.102, subdivision 11, is amended to read:

Subd. 11. [(COMPENSATION DURING REHABILITATION) *RETRAINING.*] (THE INSURER OR EMPLOYER SHALL PAY UP) *Retraining is limited to 156 weeks (OF COMPENSATION DURING REHABILITATION UNDER A PLAN IN AN AMOUNT EQUAL TO 125 PERCENT OF THE EMPLOYEE'S RATE FOR TEMPORARY TOTAL DISABILITY. THIS PAYMENT IS IN LIEU OF PAYMENT FOR TEM-*

PORARY TOTAL, TEMPORARY PARTIAL, OR PERMANENT TOTAL DISABILITY TO WHICH THE EMPLOYEE MIGHT OTHERWISE BE ENTITLED FOR THIS PERIOD UNDER THIS CHAPTER, BUT SHALL BE CONSIDERED TO BE THE EQUIVALENT OF TEMPORARY TOTAL DISABILITY FOR THE PURPOSES OF SECTION 176.132. IF ON THE JOB TRAINING IS PART OF THE REHABILITATION PROGRAM, THE WEEKS DURING WHICH THE INSURER OR EMPLOYER PAYS COMPENSATION PURSUANT TO SUBDIVISION 5 SHALL BE SUBTRACTED FROM THE 156 WEEKS OF RETRAINING COMPENSATION WHICH HAS BEEN PAID, IF ANY, PURSUANT TO THIS SUBDIVISION. THIS SUBDIVISION SHALL NOT APPLY TO RETRAINING BENEFITS FOR WHICH LIABILITY HAS BEEN ESTABLISHED PRIOR TO JULY 1, 1979).

Sec. 78. Minnesota Statutes 1982, section 176.102, is amended by adding a subdivision to read:

Subd. 11a. [APPLICABILITY OF SECTION.] This section is applicable to all employees injured prior to or on and after October 1, 1979, except for those provisions which affect an employee's monetary benefits.

Sec. 79. Minnesota Statutes 1982, section 176.102, is amended by adding a subdivision to read:

Subd. 13. [DISCONTINUANCE.] All benefits payable under chapter 176 may, after a determination and order by the commissioner, be discontinued or forfeited for any time during which the employee refuses to submit to any reasonable examinations and evaluative procedures ordered by the commissioner to determine the need for and details of a plan of rehabilitation, or refuses to participate in rehabilitation evaluation as required by this section or does not make a good faith effort to participate in a rehabilitation plan. A discontinuance under this section is governed by section 176.242.

Sec. 80. [176.103] [MEDICAL HEALTH CARE REVIEW.]

Subdivision 1. [PURPOSE.] It is the purpose of this section to provide for review of clinical health care providers who render services to injured employees. This review shall be achieved by establishing a quality control system within the department of labor and industry.

The commissioner shall hire a medical consultant to assist in the administration of this section.

The medical consultant shall be a doctor of medicine licensed under the laws of Minnesota.

The medical consultant shall perform all duties assigned by the commissioner relating to the supervision of the total continuum of care of injured employees and shall also advise the department on matters on which the commissioner requests the consultant's advice or if the consultant deems it appropriate.

Subd. 2. [SCOPE.] The commissioner shall monitor the medical, surgical, and hospital treatment provided to injured employees or the services of other health care providers. This monitoring shall include determinations concerning the appropriateness of the service, whether the treatment is necessary and effective, the proper cost of services, the quality of the treatment, the right of providers to receive payment under this chapter for services rendered or the right to receive payment under this chapter for future services. The commissioner may penalize, disqualify, or suspend a provider from receiving payment for services rendered under this chapter, if the commissioner determines that the provider has violated any part of this chapter or rule adopted under this chapter. The commissioner's authority under this section also includes the authority to make determinations regarding any other activity involving the questions of utilization of medical services, and any other determination the commissioner deems necessary for the proper administration of this section.

The commissioner has the sole authority to make determinations under this section with a right of appeal to the medical services review board as provided in subdivision 3 and the workers' compensation court of appeals. A compensation judge has no jurisdiction in making determinations under this section.

Subd. 3. [MEDICAL SERVICES REVIEW BOARD; SELECTION; POWERS.] (a) There is created a medical services review board composed of the commissioner or the commissioner's designee, two persons representing chiropractic and six medical practitioners representing different specialties which the commissioner determines are the most frequently utilized by injured employees. The board shall also have two members representing employees, two members representing employers or insurers, and two members representing the general public. The members shall be appointed by the commissioner and shall be governed by section 15.0575. Terms of the board's members may be renewed. The board shall appoint from among its members a clinical advisory subcommittee on clinical quality and a clinical advisory subcommittee on clinical cost containment. Each subcommittee shall consist of at least three members one of whom must be a member who is not a chiropractor or doctor.

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

The clinical cost containment subcommittee shall review and recommend to the commissioner rates for individual clinical procedures and aggregate costs. The subcommittees shall make regular reports to the board and the commissioner which shall evaluate the reports for the purpose of determining whether or not a particular health care provider continues to qualify for payment under chapter 176 or is subject to any other sanctions or penalties authorized under this section and to determine whether an employee has been off work longer than necessary.

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

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

In its consideration of these factors, the board shall utilize the information and recommendations developed by the subcommittees. In addition, the board shall utilize any other data developed by the subcommittees pursuant to the duties assigned to the subcommittees under this section.

After making a determination, the board shall submit its recommendation in writing to the commissioner. The board shall advise the commissioner on the adoption of rules regarding all aspects of medical care and services provided to injured employees.

(b) The board shall appoint three of its members to hear appeals from decisions of the commissioner regarding quality control and supervision of medical care; any other disputes regarding medical, surgical, and hospital care; decisions regarding the eligibility of medical providers to receive payments; or any other determinations of the commissioner pursuant to subdivision 2. The three-member panel shall be composed of one member who does not represent a health care specialty, one member who represents the same specialty as the specialty at issue or, if the same specialty is not available, one member whose specialty is as close as possible considering the board's composition, and one member representing a different specialty. The three-member panel shall conduct a hearing in the same manner, giving the same notice and following other procedures required of the rehabilitation review panel in section 176.102, subdivision 3a. A majority vote of the three-member panel constitutes the decision of the board. This decision may be appealed to the workers' compensation court of appeals.

(c) In any situation where a conflict of interest prevents the appointment of a full three-member panel or in any other situa-

tion where the commissioner deems it necessary to resolve a conflict of interest, the commissioner may appoint a temporary substitute board member to serve until the situation creating the conflict of interest has been resolved.

Sec. 81. [176.104] [REHABILITATION PRIOR TO DETERMINATION OF LIABILITY.]

Subdivision 1. [DISPUTE.] *If there exists a dispute regarding whether an injury arose out of and in the course and scope of employment and an employee has been disabled for the requisite time under section 176.102, subdivision 4 prior to determination of liability, the employee shall be referred by the commissioner to the division of vocational rehabilitation which shall provide rehabilitation consultation. The services provided by the division of vocational rehabilitation and the scope and term of the rehabilitation are governed by section 176.102 and rules adopted pursuant to that section. Rehabilitation costs and services under this subdivision shall be approved, rejected, or modified by the commissioner.*

Subd. 2. [LIABILITY FOR PAST REHABILITATION.] *If liability is determined after the employee has commenced rehabilitation under this section the liable party is responsible for the cost of rehabilitation provided and approved by the commissioner. Future rehabilitation after liability is established is governed by section 176.102.*

Sec. 82. Minnesota Statutes 1982, section 176.105, is amended by adding a subdivision to read:

Subd. 4. *The commissioner shall by rule adopt procedures to determine the percentage of loss of function of a part of the body based on the body as a whole, including internal organs, described in section 176.101, subdivision 3 and any other body part not listed in section 176.101, subdivision 3 which the commissioner deems appropriate.*

Temporary rules shall be adopted for this purpose not later than January 1, 1985. Prior to the adoption of these rules, at least two public hearings shall be held by the commissioner, in addition to the requirements of sections 14.29 to 14.36. Notwithstanding sections 14.29 to 14.36, the temporary rules adopted under this subdivision shall be effective until superseded by permanent rules. The rules shall promote objectivity and consistency in the evaluation of permanent functional impairment due to personal injury and in the assignment of a numerical rating to the functional impairment.

Disability ratings and schedules shall be based on objective medical evidence.

Prior to adoption of temporary rules the commissioner of insurance shall conduct an analysis of the current permanent partial disability schedule for the purpose of determining the number and distribution of permanent partial disabilities and the average compensation for various permanent partial disabilities. The commissioner of labor and industry shall consider this analysis in adopting the rules under this subdivision and shall consider establishing a schedule which provides that the average award under the proposed schedule shall be approximately the same as the average award under the current schedule. The commissioner shall consider setting the compensation under the proposed schedule for the most serious conditions higher in comparison to the current schedule and shall consider decreasing awards for minor conditions in comparison to the current schedule.

The commissioner shall consider, among other factors, and shall not be limited to the following factors in developing rules for the evaluation and rating of functional disability and the schedule for permanent partial disability benefits:

(a) the workability and simplicity of the procedures with respect to the evaluation of functional disability;

(b) the consistency of the procedures with accepted medical standards;

(c) rules, guidelines, and schedules that exist in other states that are related to the evaluation of permanent partial disability or to a schedule of benefits for functional disability;

(d) rules, guidelines, and schedules that have been developed by associations of health care providers or organizations;

(e) the effect the rules may have on reducing litigation;

(f) the treatment of preexisting disabilities with respect to the evaluation of permanent functional disability provided that any preexisting disabilities must be objectively determined by medical evidence; and

(g) symptomatology and loss of function and use of the injured member.

The factors in clauses (a) to (g) shall not be used in any individual or specific workers' compensation claim under this chapter but shall only be used in the adoption of rules pursuant to this section.

The commissioners authority to adopt, amend, or repeal rules under this subdivision shall expire upon adoption of the permanent rules, and in no case later than January 1, 1987. The rules

adopted under this subdivision, however, shall continue to have the full force and effect of law after this date.

Sec. 83. Minnesota Statutes 1982, section 176.111, subdivision 6, is amended to read:

Subd. 6. [SPOUSE, NO DEPENDENT CHILD.] ((A)) If the deceased employee leaves a dependent surviving spouse and no dependent child, there shall be paid to the spouse (, AT THE OPTION OF THE SPOUSE, EITHER:)

((1)) A LUMP SUM SETTLEMENT EQUAL TO TEN FULL YEARS OF COMPENSATION AT 50 PERCENT OF THE DAILY WAGE AT THE TIME OF THE INJURY OF THE DECEASED, COMPUTED WITHOUT REGARD TO SECTION 176.645; OR)

((2)) weekly workers' compensation benefits at 50 percent of the daily wage at the time of the injury for a period of ten years, including adjustments as provided in section 176.645.

((B)) A DEPENDENT SURVIVING SPOUSE WHO HAS NOT ACCEPTED A LUMP SUM SETTLEMENT PURSUANT TO CLAUSE (A)(1) AND WHO REMARRIES SHALL RECEIVE THE LESSER OF EITHER:)

((1)) A LUMP SUM SETTLEMENT EQUAL TO TWO FULL YEARS OF COMPENSATION AT 50 PERCENT OF THE DAILY WAGE AT THE TIME OF THE INJURY OF THE DECEASED, COMPUTED WITHOUT REGARD TO SECTION 176.645; OR)

((2)) THE REMAINING WEEKLY WORKERS' COMPENSATION BENEFITS PURSUANT TO CLAUSE (A)(2) AT 50 PERCENT OF THE DAILY WAGE, INCLUDING ADJUSTMENTS AS PROVIDED IN SECTION 176.645.)

Sec. 84. Minnesota Statutes 1982, section 176.111, subdivision 7, is amended to read:

Subd. 7. [SPOUSE, ONE DEPENDENT CHILD.] (a) If the deceased employee leaves a surviving spouse and one dependent child, there shall be paid to the surviving spouse for the benefit of the spouse and child 60 percent of the daily wage at the time of the injury of the deceased until the child is no longer a dependent as defined in subdivision 1. At that time there shall be paid to the dependent surviving spouse (, AT THE OPTION OF THE SPOUSE, EITHER:)

((1)) A LUMP SUM SETTLEMENT EQUAL TO TEN FULL YEARS OF COMPENSATION AT A RATE WHICH IS 16 2/3 PERCENT LESS THAN THE LAST WEEKLY

WORKERS' COMPENSATION BENEFIT PAYMENT, AS DEFINED IN SUBDIVISION 8A, WHILE THE SURVIVING CHILD WAS A DEPENDENT, COMPUTED WITHOUT REGARD TO SECTION 176.645; OR)

((2)) weekly benefits at a rate which is 16 2/3 percent less than the last weekly workers' compensation benefit payment, as defined in subdivision 8a, while the surviving child was a dependent, for a period of ten years, including adjustments as provided in section 176.645.

((B) A SURVIVING SPOUSE WHO REMARRIES SHALL RECEIVE:)

((1) COMPENSATION, FOR THE BENEFIT OF THE DEPENDENT CHILD, ACCORDING TO THE ALLOCATION PROVIDED IN SUBDIVISION 10, UNTIL THE CHILD IS NO LONGER A DEPENDENT AS DEFINED IN SUBDIVISION 1; AND)

((2) A LUMP SUM SETTLEMENT, FOR THE BENEFIT OF THE SURVIVING SPOUSE, EQUAL TO TWO FULL YEARS OF WEEKLY BENEFITS IN AN AMOUNT WHICH EQUALS THE DIFFERENCE BETWEEN THE BENEFIT OTHERWISE PAYABLE UNDER CLAUSE (A) AND THE AMOUNT PAYABLE TO THE DEPENDENT CHILD PURSUANT TO CLAUSE (B)(1).)

Sec. 85. Minnesota Statutes 1982, section 176.111, subdivision 8, is amended to read:

Subd. 8. [SPOUSE, TWO DEPENDENT CHILDREN.]
 ((A)) If the deceased employee leaves a surviving spouse and two dependent children, there shall be paid to the surviving spouse for the benefit of the spouse and children 66 2/3 percent of the daily wage at the time of the injury of the deceased until the youngest dependent child is no longer dependent. At that time the dependent surviving spouse shall be paid (, AT THE OPTION OF THE SPOUSE, EITHER:)

((1) A LUMP SUM SETTLEMENT EQUAL TO TEN FULL YEARS OF COMPENSATION AT A RATE WHICH IS 25 PERCENT LESS THAN THE LAST WEEKLY WORKERS' COMPENSATION BENEFIT PAYMENT, AS DEFINED IN SUBDIVISION 8A, WHILE THE LAST SURVIVING CHILD WAS A DEPENDENT, COMPUTED WITHOUT REGARD TO SECTION 176.645; OR)

((2)) weekly benefits at a rate which is 25 percent less than the last weekly workers' compensation benefit payment, as defined in subdivision 8a, while the surviving child was a depen-

dent, for a period of ten years, adjusted according to section 176.645.

((B) A SURVIVING SPOUSE WHO REMARRIES SHALL RECEIVE COMPENSATION, FOR THE BENEFIT OF THE CHILDREN, ALLOCATED ACCORDING TO SUBDIVISION 10, UNTIL THE YOUNGEST DEPENDENT CHILD IS NO LONGER DEPENDENT AS DEFINED IN SUBDIVISION 1 AND, FOR THE BENEFIT OF THE SURVIVING SPOUSE, A LUMP SUM SETTLEMENT EQUAL TO TWO FULL YEARS OF WEEKLY BENEFITS IN AN AMOUNT WHICH EQUALS THE DIFFERENCE BETWEEN THE BENEFIT OTHERWISE PAYABLE PURSUANT TO CLAUSE (A) AND THE AMOUNT PAYABLE TO THE DEPENDENT CHILDREN ALLOCATED ACCORDING TO SUBDIVISION 10, COMPUTED WITHOUT REGARD TO SECTION 176.645.)

Sec. 86. Minnesota Statutes 1982, section 176.111, is amended by adding a subdivision to read:

Subd. 9a. [REMARRIAGE OF SPOUSE.] Remarriage of a surviving spouse who is receiving benefits under subdivision 6, 7, or 8 has no effect on the spouse's right to receive weekly benefits for the remaining period that the spouse is entitled to receive benefits pursuant to this section.

Sec. 87. Minnesota Statutes 1982, section 176.111, subdivision 18, is amended to read:

Subd. 18. [BURIAL EXPENSE.] In all cases where death results to an employee from a personal injury arising out of and in the course of employment, the employer shall pay the expense of burial, not exceeding in amount (\$1,000) \$2,500. In case any dispute arises as to the reasonable value of the services rendered in connection with the burial, (SUCH) its reasonable value shall be determined and approved by the commissioner (OF THE DEPARTMENT OF LABOR AND INDUSTRY), a compensation judge, or workers' compensation court of appeals, in cases upon appeal, before payment, after (SUCH) reasonable notice to interested parties as is required by the commissioner (OF THE DEPARTMENT OF LABOR AND INDUSTRY). If the deceased leave no dependents, no compensation is payable, except as provided by this chapter.

Sec. 88. Minnesota Statutes 1982, section 176.121, is amended to read:

176.121 [COMMENCEMENT OF COMPENSATION.]

In cases of temporary total or temporary partial disability no compensation (SHALL BE) is allowed for the three calendar days after the disability commenced, except as provided by section

176.135, nor in any case unless the employer has actual knowledge of the injury or is notified thereof within the period specified in section 176.141. If (SUCH) *the* disability continues for 10 calendar days or longer, (SUCH) *the* compensation (SHALL BE) is computed from the commencement of the disability. *Disability is deemed to commence on the first calendar day or fraction of a calendar day that the employee is unable to work.*

Sec. 89. [176.129] [CREATION OF THE SPECIAL COMPENSATION FUND.]

Subdivision 1. [DEPOSIT OF FUNDS.] The special compensation fund is created for the purposes provided for in this chapter. The state treasurer is the custodian of the special compensation fund. Sums paid to the commissioner pursuant to this section shall be deposited with the state treasurer for the benefit of the fund and used to pay the benefits under this chapter. Any interest or profit accruing from investment of these sums shall be credited to the special compensation fund. Subject to the provisions of this section, all the powers, duties, functions, obligations, and rights vested in the special compensation fund immediately prior to the effective date of this section are transferred to and vested in the special compensation fund recreated by this section. All rights and obligations of employers with regard to the special compensation fund which existed immediately prior to the effective date of this section continue, subject to the provisions of this section.

Subd. 2. [PAYMENTS TO FUND, DEATH.] In every case of death of an employee resulting from personal injury arising out of and in the course of employment where there are no persons entitled to monetary benefits of dependency compensation, the employer shall pay to the commissioner the sum of \$25,000 for the benefit of the special compensation fund. In every case of death of an employee resulting from personal injury arising out of and in the course of employment where there are no persons entitled to at least \$25,000 in monetary benefits of dependency compensation, the employer shall pay to the commissioner for the benefit of the special compensation fund the difference between the amounts actually paid for the dependency benefits and \$25,000; but in no event shall the employer pay the commissioner less than \$5,000.

Subd. 3. [PAYMENTS TO FUND, INJURY.] If an employee suffers a personal injury resulting in permanent partial disability, temporary total disability, temporary partial disability, permanent total disability, or death and the employee or the employee's dependents are entitled to compensation under section 176.101 or 176.111 the employer shall pay to the commissioner a lump sum amount, without any interest deduction, equal to 20 percent of the total compensation payable. The rate under this subdivision shall remain constant and applies to injuries occurring prior to January 1, 1984, even if the payment is made

on or after January 1, 1984. This payment is to be credited to the special compensation fund and shall be in addition to any compensation payments made by the employer under this chapter. Payment shall be made as soon as the amount is determined and approved by the commissioner.

Subd. 4. [TIME OF INJURY.] Subdivisions 2 and 3 apply to all workers' compensation payments paid under section 176.101 or 176.111 for an injury or death occurring on or after June 1, 1971, but before January 1, 1984.

Payments made for personal injuries that occurred prior to June 1, 1971, shall be assessed at the rate in effect on the date of occurrence.

Subd. 5. [DETERMINATION OF AMOUNT PAYABLE.] (a) For injuries occurring on or after January 1, 1984, employers shall pay an assessment as provided in this subdivision. The assessment base shall be determined according to a method established by rule adopted by the commissioner. In determining this method, the commissioner shall consider, among other things, the frequency of indemnity claims, equity, administrative convenience, records maintained by employer's insurers and self-insurers, amenability to audit, and degree of risk refinement.

(b) Using the assessment base method established in clause (a), the commissioner shall annually determine the amount of the assessment base of each employer.

(c) The commissioner shall annually establish a uniform percentage rate to be applied to the assessment base determined pursuant to clause (b). In establishing this rate, the commissioner shall consider, among other things, the likely expenditures to be made by the special fund in the next calendar year, the current fiscal status of the fund, future expenditure trends, and the assessments estimated to be collected under subdivisions 2 and 3. The assessment rate multiplied by the assessment base of an employer is the assessment amount payable under this subdivision. The total amount assessed under this subdivision shall not exceed \$25,000,000 in calendar year 1984. The total amount which may annually be assessed under this subdivision may be increased by up to ten percent beginning on January 1, 1985, and each January 1 thereafter.

(d) An amount assessed pursuant to this subdivision is payable to the commissioner within 45 days of mailing notice of the amount due.

Subd. 6. [PAYMENTS OUT OF FUND.] The workers' compensation division, a compensation judge, the workers' compensation court of appeals, or district court in cases before them shall direct the distribution of benefits provided by this chapter.

These benefits are payable in the same manner as other payments of compensation.

Subd. 7. [REFUNDS.] In case deposit is or has been made under subdivision 2 and dependency later is shown, or if deposit is or has been made pursuant to subdivision 2 or 3 by mistake or inadvertence, or under circumstances that justice requires a refund, the state treasurer is authorized to refund the deposit under order of the commissioner, a compensation judge, the workers' compensation court of appeals, or a district court. There is appropriated to the commissioner from the fund an amount sufficient to make the refund and payment.

Subd. 8. [COMMISSIONER AS ADMINISTRATOR.] The commissioner is the administrator of the special compensation fund. The special compensation fund shall be designated a party in an action regarding any right, obligation, and liability of the special fund. The state treasurer, as custodian, does not have standing in an action determining any right, obligation, or liability of the special fund. The attorney general shall represent the special fund in all legal matters in which the special fund has an interest.

Subd. 9. [POWERS OF FUND.] In addition to powers granted to the special compensation fund by this chapter the fund may do the following:

- (a) sue and be sued in its own name;*
- (b) intervene in or commence an action under this chapter or any other law, including, but not limited to, intervention or action as a subrogee, to the division's right in a third-party action, any proceeding under this chapter in which liability of the special compensation fund is an issue, or any proceeding which may result in other liability of the fund or to protect the legal right of the fund;*
- (c) enter into settlements including but not limited to structured, annuity purchase agreements with appropriate parties under this chapter; and*
- (d) take any other action which an insurer is permitted by law to take in operating within this chapter.*

Subd. 10. [PENALTY.] Sums paid to the commissioner pursuant to this section shall be in the manner prescribed by the commissioner. The commissioner may impose a penalty of up to 15 percent of the amount due under this section but not less than \$500 in the event payment is not made in the manner prescribed.

Subd. 11. [ADMINISTRATIVE PROVISIONS.] The accounting, investigation, and legal costs necessary for the ad-

ministration of the programs financed by the special compensation fund shall be paid from the fund during each biennium commencing July 1, 1981. Staffing and expenditures related to the administration of the special compensation fund shall be approved through the regular budget and appropriations process.

Subd. 12. [REPORT OF COMMISSIONER.] The commissioner shall report biennially to the governor and to the legislature as to the financial status of the special compensation fund. The report shall include a statement of the receipts and the disbursements for the period covered.

Subd. 13. [EMPLOYER REPORTS.] All employers shall make reports to the commissioner as required for the proper administration of this section and section 176.131.

Sec. 90. Minnesota Statutes 1982, section 176.131, subdivision 1, is amended to read:

Subdivision 1. If an employee incurs personal injury and suffers disability that is substantially greater, because of a pre-existing physical impairment, than what would have resulted from the personal injury alone, the employer shall pay all compensation provided by this chapter, but (HE) *the employer* shall be reimbursed from the special compensation fund for all compensation paid in excess of 52 weeks of monetary benefits and \$2,000 in medical expenses, subject to the following exceptions:

If the personal injury alone results in permanent partial disability to a scheduled member under (SECTION 176.101) *the schedule adopted by the commissioner pursuant to section 176.105*, the monetary and medical expense limitations shall not apply and the employer (SHALL BE) *is* liable for (SUCH) *the* compensation, medical expense, and (RETRAINING) *rehabilitation* attributable to the permanent partial disability, and (HE) may be reimbursed from the *special* compensation fund only for compensation paid in excess of (SUCH) *the* disability.

Sec. 91. Minnesota Statutes 1982, section 176.131, subdivision 1a, is amended to read:

Subd. 1a. If an employee is employed in an on the job retraining program pursuant to section 176.102 and the employee incurs a personal injury that aggravates the personal injury for which the employee has been certified to enter the on the job retraining program, the on the job training employer shall pay the medical expenses and compensation required by this chapter, (BUT) *and* shall be reimbursed from the special compensation fund for the compensation and medical expense that is attributable to the aggravated injury. The employer, at the time of the personal injury for which the employee has been certified for retraining, is liable for the portion of the disability that is attributable to that injury.

Sec. 92. Minnesota Statutes 1982, section 176.131, subdivision 2, is amended to read:

Subd. 2. If the employee's personal injury (SHALL RESULT) *results* in disability or death, and if the injury, death, or disability would not have occurred except for the pre-existing physical impairment *registered with the special compensation fund*, the employer shall pay all compensation provided by this chapter, (BUT) *and* shall be reimbursed from the special compensation fund for (SUCH) *the* compensation (ONLY WHERE THE PERMANENT PHYSICAL IMPAIRMENT CONTRIBUTING TO THE SECOND INJURY IS DIABETES, HEMOPHILIA OR SEIZURES) *except that this reimbursement shall not be made for cardiac disease or a condition registered pursuant to clause (t) or (u) unless the commissioner by rule provides otherwise.*

Sec. 93. Minnesota Statutes 1982, section 176.131, subdivision 3, is amended to read:

Subd. 3. To entitle the employer to secure reimbursement from the special compensation fund, the following provisions must be complied with:

(a) Provisions of section 176.181, subdivisions 1 and 2.

(b) The employee with a pre-existing physical impairment must have been registered with the commissioner (OF LABOR AND INDUSTRY) prior to the employee's personal injury or within 180 days after notice of the employee's personal injury is received by the employer. Registration subsequent to the injury shall be based on a medical report *or record* made prior to the injury indicating the pre-existing physical impairment.

Sec. 94. Minnesota Statutes 1982, section 176.131, subdivision 4, is amended to read:

Subd. 4. Any employer who hires or retains in (HIS) *its* employment any person who has a physical impairment shall file a formal registration for (EACH SUCH) *the* employee with the commissioner (OF THE DEPARTMENT OF LABOR AND INDUSTRY IN SUCH) *on a form (AS) prescribed by the commissioner (MAY REQUIRE).*

Sec. 95. Minnesota Statutes 1982, section 176.131, subdivision 5, is amended to read:

Subd. 5. Registration under this section may be made by the employee or any employer provided:

(a) Registration (SHALL BE) *is* accompanied by satisfactory evidence of (SUCH) *the* physical impairment;

(b) Registration (SHALL BE) is in effect as long as (SAID) the impairment exists;

(c) Upon request, a registered employee shall be furnished by the commissioner (OF THE DEPARTMENT OF LABOR AND INDUSTRY) with a registration card evidencing the (FACT OF) registration, and (SUCH) other facts as the commissioner (OF THE DEPARTMENT OF LABOR AND INDUSTRY) deems advisable.

Sec. 96. Minnesota Statutes 1982, section 176.131, subdivision 6, is amended to read:

Subd. 6. When the employer claims reimbursement from the special compensation fund after paying compensation as prescribed by this section, (HE) *the employer* shall file with the commissioner (OF THE DEPARTMENT OF LABOR AND INDUSTRY) written notice of intention to claim reimbursement in accordance with the rules (AND REGULATIONS OF) *adopted by the commissioner (OF THE DEPARTMENT OF LABOR AND INDUSTRY).*

Sec. 97. Minnesota Statutes 1982, section 176.131, subdivision 7, is amended to read:

Subd. 7. Under subdivisions 1 and 2, an occupational disease may be deemed to be the personal (second) injury.

If the subsequent disability for which reimbursement is claimed is an occupational disease, and if, subsequent to registration as provided by subdivisions 4 and 5, the employee has been employed by the employer in employment similar to that which initially resulted in (SUCH) *the occupational disease*, no reimbursement shall be paid to the employer.

Sec. 98. Minnesota Statutes 1982, section 176.131, subdivision 8, is amended to read:

Subd. 8. As used in this section the following terms have the meanings given them:

“Physical impairment” means any physical or mental condition that is permanent in nature, whether congenital or due to injury, disease or surgery and which is or is likely to be a hindrance or obstacle to obtaining employment (PROVIDED) *except that (,) physical impairment (AS USED HEREIN) is limited to the following:*

(a) Epilepsy,

(b) Diabetes,

- (c) Hemophilia,
- (d) Cardiac disease,
- (e) Partial or entire absence of thumb, finger, hand, foot, arm or leg,
- (f) Lack of sight in one or both eyes or vision in either eye not correctable to 20/40,
- (g) Residual disability from poliomyelitis,
- (h) Cerebral Palsy,
- (i) Multiple Sclerosis,
- (j) Parkinson's disease,
- (k) Cerebral vascular accident,
- (l) Chronic Osteomyelitis,
- (m) Muscular Dystrophy,
- (n) Thrombophlebitis,
- (o) *Brain tumors,*
- (p) *Pott's disease,*
- (q) *Seizures,*
- (r) *Cancer of the bone,*
- (s) *Leukemia,*
- (t) Any other physical impairment for which at least 50 weeks or more of weekly benefits would be payable as permanent partial disability if the physical impairment were evaluated according to standards used in workers' compensation proceedings, and

((P)) (u) Any other physical impairments of a permanent nature which the (WORKERS' COMPENSATION COURT OF APPEALS) *commissioner* may by rule prescribe;

"Compensation" has the meaning defined in section 176.011;

"Employer" includes insurer;

"Disability" means, unless otherwise indicated, any condition causing either temporary total, temporary partial, permanent total, permanent partial, death, medical expense, or (RETRAINING) *rehabilitation*.

Sec. 99. Minnesota Statutes 1982, section 176.132, subdivision 1, is amended to read:

Subdivision 1. [ELIGIBLE RECIPIENTS.] (a) An employee who has suffered personal injury prior to the effective date of clause (b) for which benefits are payable under section 176.101 and who has been totally disabled for more than 104 weeks shall be eligible for supplementary benefits as (HEREINAFTER) prescribed in this section after 104 weeks have elapsed and for the remainder of (HIS) the total disablement. Regardless of the number of weeks of total disability, no totally disabled person (SHALL BE) is ineligible for supplementary benefits after four years have elapsed since the first date of (HIS) the total disability, except as provided by clause (b), provided that all periods of disability are caused by the same injury.

(b) An employee injured after the effective date of this clause is eligible to receive supplementary benefits after the employee has been receiving temporary total or permanent total benefits for 208 weeks. Regardless of the number of weeks of total disability, no person who is receiving temporary total compensation shall be ineligible for supplementary benefits after six years have elapsed since the first date of the total disability, provided that all periods of disability are caused by the same injury.

Sec. 100. Minnesota Statutes 1982, section 176.132, is amended by adding a subdivision to read:

Subd. 5. [ROUNDING OF PAYMENTS.] A payment made under this section shall be rounded to the next highest whole dollar.

Sec. 101. Minnesota Statutes 1982, section 176.134, subdivision 4, is amended to read:

Subd. 4. [ADMINISTRATION.] The commissioner (OF LABOR AND INDUSTRY) shall administer the reopened case fund as part of the special compensation fund provided that the reopened case fund is under separate accounting and audit procedures from the special fund.

Sec. 102. Minnesota Statutes 1982, section 176.135, subdivision 1, is amended to read:

Subdivision 1. [MEDICAL, CHIROPRACTIC, PODIATRIC, SURGICAL, HOSPITAL.] The employer shall furnish (SUCH) *any* medical, chiropractic, podiatric, surgical and hospital treatment, including nursing, medicines, medical, chiropractic, podiatric, and surgical supplies, crutches and apparatus, including artificial members, or, at the option of the employee, if the employer has not filed notice as hereinafter provided, Christian Science treatment in lieu of medical treatment, chiropractic medicine and medical supplies, as may reasonably be required at the time of the injury and any time thereafter to cure and relieve from the effects of the injury. (SUCH) *This* treatment shall include treatments necessary to physical rehabilitation. The employer shall furnish replacement or repair for artificial members, glasses, or spectacles, artificial eyes, podiatric orthotics, dental bridge work, dentures or artificial teeth, hearing aids, canes, crutches or wheel chairs damaged by reason of an injury arising out of and in the course of the employment. In case of his inability or refusal seasonably to do so the employer (SHALL BE) *is* liable for the reasonable expense incurred by or on behalf of the employee in providing the same. The employer shall pay for the reasonable value of nursing services by a member of the employee's family in cases of permanent total disability. Orders of (A COMPENSATION JUDGE) *the commissioner or medical services review board* with respect to this subdivision may be reviewed by the workers' compensation court of appeals on petition of an aggrieved party or by writ of certiorari to the supreme court.

Sec. 103. Minnesota Statutes 1982, section 176.135, subdivision 3, is amended to read:

Subd. 3. [LIMITATION OF LIABILITY.] The pecuniary liability of the employer for the treatment, articles and supplies required by this section shall be limited to (SUCH) *the* charges therefor as prevail in the same community for similar treatment, articles and supplies furnished to injured persons of a like standard of living when the same are paid for by the injured persons. On this basis the (COMPENSATION JUDGE) *commissioner, medical services review board, or workers' compensation court of appeals on appeal* may determine the reasonable value of all such services and supplies and the liability of the employer is limited to the amount so determined.

Sec. 104. Minnesota Statutes 1982, section 176.136, is amended to read:

176.136 [MEDICAL FEE REVIEW.]

The commissioner (OF INSURANCE) shall by rule establish procedures for determining whether or not the charge for a

health service is excessive. In order to accomplish this purpose, the commissioner (OF INSURANCE) shall consult with insurers, associations and organizations representing the medical and other providers of treatment services and other appropriate groups. The procedures established by the commissioner (OF INSURANCE) shall limit the charges allowable for medical, chiropractic, podiatric, surgical, hospital and other health care provider treatment or services, as defined and compensable under section 176.135, to the 75th percentile of usual and customary fees or charges based upon billings for each class of health care provider during all of the calendar year preceding the year in which the determination is made of the amount to be paid the health care provider for the billing. The procedures established by the commissioner for determining whether or not the charge for a health service is excessive shall be structured to encourage providers to develop and deliver services for rehabilitation of injured workers. The procedures shall incorporate the provisions of sections 144.701, 144.702, and 144.703 to the extent that the commissioner finds that these provisions effectively accomplish the intent of this section or are otherwise necessary to insure that quality hospital care is available to injured employees. If the commissioner (OF INSURANCE, A COMPENSATION JUDGE), *medical services review board*, the workers' compensation court of appeals or a district court determines that the charge for a health service or medical service is excessive, no payment in excess of the reasonable charge for that service shall be made under this chapter nor may the provider collect or attempt to collect from the injured employee or any other insurer or government amounts in excess of the amount payable under this chapter; however, the commissioner (OF INSURANCE) shall by rule establish procedures allowing for a provider to appeal such determination. The commissioner (OF INSURANCE) shall contract with a review organization as defined in section 145.61 for the purposes listed in section 145.61, subdivision 5, and report to the legislature by January 15, 1983 and thereafter on January 15 of every odd-numbered year, regarding the delivery of medical and health care services, including rehabilitation services, under the workers' compensation laws of this state.

The commissioner (OF INSURANCE) shall also conduct a study of the qualifications and background of rehabilitation consultants and vendors providing services under section 176.102 for the purpose of determining whether there are adequate professional standards provided, including safeguards to protect against conflicts of interest. *If upon the effective date of this section this study has already been conducted by the commissioner of insurance, the commissioner is not required to conduct the study.*

The commissioner (OF INSURANCE) shall adopt temporary rules in order to implement the provisions of this subdivision. Notwithstanding the provisions of section 14.14, subdivision 1, and any amendments, the temporary rules adopted by the com-

missioner (OF INSURANCE) pursuant to this subdivision may be extended for an additional 180 days if the procedures for adoption of a rule pursuant to sections 14.13 to 14.20 or 14.21 to 14.28, and other provisions of the administrative procedure act related to final agency action and rule adoption have not been concluded.

Any rules adopted by the commissioner of insurance pursuant to this section shall be adopted by the commissioner of labor and industry and may be amended, modified, or repealed only by the commissioner of labor and industry.

Sec. 105. [176.138] [MEDICAL DATA; ACCESS.]

Notwithstanding any other state laws related to the privacy of medical data or any private agreements to the contrary, the release of medical data related to a current claim for compensation under this chapter to the employee, employer, or insurer who are parties to the claim, or to the department of labor and industry, shall not require prior approval of any party to the claim. Requests for pertinent data shall be made in writing to the person or organization that collected or currently possesses the data. The data shall be provided by the collector or possessor within seven working days of receiving the request. In all cases of a request for the data, except when it is the employee who is making the request, the employee shall be sent written notification of the request by the party requesting the data at the same time the request is made. This data shall be treated as private data by the party who requests or receives the data and the employee or the employee's attorney shall be provided with a copy of all data requested.

This section does not apply to medical data related to a previous injury or disability which is an issue in a claim for apportionment.

The commissioner may impose a penalty of up to \$200 payable to the special compensation fund against a party who does not release the data in a timely manner. A party who does not treat this data as private pursuant to this section is guilty of a misdemeanor.

Sec. 106. Minnesota Statutes 1982, section 176.155, subdivision 3, is amended to read:

Subd. 3. [REFUSAL TO BE EXAMINED.] If the injured employee refuses to comply with any reasonable request for examination, (HIS) *the right to compensation may be suspended by order of the division, a compensation judge, or workers' compensation court of appeals in a matter before it, and no compensation shall be paid while (HE) the employee continues in (SUCH) the refusal.*

Sec. 107. Minnesota Statutes 1982, section 176.155, subdivision 5, is amended to read:

Subd. 5. [TESTIMONY OF (EXAMINING PHYSICIANS) HEALTH CARE PROVIDER.] Any physician or other health care provider designated by the commissioner (OF THE DEPARTMENT OF LABOR AND INDUSTRY), compensation judge, or workers' compensation court of appeals or whose services are furnished or paid for by the employer, who treats (OR WHO MAKES), examines, or is present at any examination, of an injured employee, may be required to testify as to any knowledge acquired by (HIM) the physician or health care provider in the course of (SUCH) the treatment or examination relative to the injury or disability resulting (THEREFROM) from the injury only if the commissioner or a compensation judge makes a written finding that the appearance of the physician or health care provider is crucial to the accurate determination of the employee's disability. In all other cases all medical evidence must be submitted by written report as prescribed by the chief hearing examiner. A party may cross-examine by deposition a physician or health care provider who has examined or treated the employee. If a physician or health care provider is not available for cross-examination prior to the hearing and the physician's or health care provider's written report is submitted at the hearing, the compensation judge shall, upon request of the adverse party, require the physician or health care provider to testify at the hearing for the purpose of being cross-examined by the adverse party. All written medical evidence must be submitted prior to or at the time of the hearing and no evidence shall be considered which was submitted after the hearing unless the compensation judge orders otherwise.

Sec. 108. Minnesota Statutes 1982, section 176.179, is amended to read:

176.179 [PAYMENTS OF COMPENSATION RECEIVED IN GOOD FAITH.]

Notwithstanding section 176.521, subdivision 3, or any other provision of this chapter to the contrary, except as provided in this section, no lump sum or weekly payment, or settlement, which is voluntarily paid to an injured employee or the survivors of a deceased employee in apparent or seeming accordance with the provisions of this chapter by an employer or insurer, or is paid pursuant to an order of the workers' compensation division, a compensation judge, or court of appeals relative to a claim by an injured employee or (HIS) the employee's survivors, and received in good faith by the employee or (HIS) the employee's survivors shall be refunded to the paying employer or insurer in the event that it is subsequently determined that the payment was made under a mistake in fact or law by the employer or insurer. When the payments have been made to a person who is entitled to receive further payments of compensation for the same

injury, the mistaken compensation may be taken as a credit against future benefit entitlement; provided, however, that the credit applied against further payments of temporary total disability, temporary partial disability, permanent total disability, retraining benefits or death benefits shall not exceed 20 percent of the amount that would otherwise be payable.

Sec. 109. Minnesota Statutes 1982, section 176.182, is amended to read:

176.182 [BUSINESS LICENSES OR PERMITS; COVERAGE REQUIRED.]

Every state (OR LOCAL) licensing agency shall withhold the issuance of a license or permit to operate a business in Minnesota until the applicant presents acceptable evidence of compliance with the workers' compensation insurance coverage requirement of section 176.181, subdivision 2.

Neither the state nor any governmental subdivision thereof shall enter into any contract *for the doing of any public work* before receiving from all other contracting parties acceptable evidence of compliance with the workers' compensation insurance coverage requirement of section 176.181, subdivision 2.

This section shall not be construed to create any liability on the part of the state or any governmental subdivision to pay workers' compensation benefits or to indemnify the special compensation fund, an employer, or insurer who pays workers' compensation benefits.

Sec. 110. Minnesota Statutes 1982, section 176.183, subdivision 1, is amended to read:

Subdivision 1. When any employee (SHALL SUSTAIN) *sustains an injury* arising out of and in the course of (HIS) employment while in the employ of an employer, other than the state or its political subdivisions, not insured or self-insured as provided for in this chapter, the employee or (HIS) *the employee's* dependents shall nevertheless receive benefits as provided for (THEREIN) *in this chapter* from the special compensation fund, and the (STATE TREASURER AS CUSTODIAN OF SUCH FUND SHALL HAVE) *commissioner* has a cause of action against (SUCH) *the* employer for reimbursement for all moneys paid out or to be paid out, and, in the discretion of the court, as punitive damages an additional amount not exceeding 50 percent of all moneys paid out or to be paid out. An action to recover (SUCH) *the* moneys shall be instituted unless the (CUSTODIAN) *commissioner* determines that no recovery is possible. All moneys recovered shall be deposited in the general fund. There shall be no payment from the special compensation fund if there is liability for the injury under the provisions of section 176.215, by an insurer or self-insurer.

Sec. 111. Minnesota Statutes 1982, section 176.183, subdivision 1a, is amended to read:

Subd. 1a. When an employee or (HIS) *the employee's* dependent is entitled to benefits under this chapter from a self-insurer, present or past, other than the state and its municipal subdivisions, but *the self-insurer fails to (BE PAID THEM) pay the benefits*, the employee or (HIS) *the employee's* dependents, regardless of the date when the accident, personal injury, occupational disease, or death occurred, shall nevertheless receive (SUCH) *the* benefits from the special compensation fund (, AND). The (STATE TREASURER AS CUSTODIAN OF SUCH FUND SHALL HAVE) *commissioner has a cause of action against (SUCH) the self-insuring employer for reimbursement (,) for all (MONEYS) benefits and other expenditures paid out or to be paid out and, in the discretion of the court, (AS) the self-insurer is liable for punitive damages in an (ADDITIONAL) amount not to exceed 50 percent of the total of all (MONEYS) benefits and other expenditures paid out or to be paid out. The commissioner shall institute an action to recover (SUCH MONEYS SHALL BE INSTITUTED) the total expenditures from the fund unless the (CUSTODIAN) commissioner determines that no recovery is possible. All (MONEYS) proceeds recovered shall be deposited in the general fund.*

Sec. 112. Minnesota Statutes 1982, section 176.183, is amended by adding a subdivision to read:

Subd. 3. (a) *Notwithstanding subdivision 2, the commissioner may direct payment from the special compensation fund for compensation payable pursuant to subdivisions 1 and 1a, including benefits payable under sections 176.102 and 176.135, prior to issuance of an order of a compensation judge or the workers' compensation court of appeals directing payment or awarding compensation.*

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

Sec. 113. Minnesota Statutes 1982, section 176.183, is amended by adding a subdivision to read:

Subd. 4. *If the commissioner authorizes the special fund to commence payment under this section, the commissioner shall serve notice by certified mail upon the employer and other interested parties of the intention to commence payment. This notice shall be served at least ten calendar days before commencing payment and shall be mailed to the last known address of the parties. The notice shall include a statement that failure of the employer to respond within ten calendar days of the date of service will be deemed acceptance by the employer of the proposed action by the commissioner and will be deemed a waiver*

of defenses the employer has to a subrogation or indemnity action by the commissioner. At any time prior to final determination of liability, the employer may appear as a party and present defenses the employer has, whether or not an appearance by the employer has previously been made in the matter. The commissioner has a cause of action against the employer to recover compensation paid by the special fund under this section.

Sec. 114. Minnesota Statutes 1982, section 176.185, is amended by adding a subdivision to read:

Subd. 10. [DATA COLLECTION CONTRACTS.] The commissioner may contract with other parties regarding the collection of appropriate data to assist in meeting the requirements of this section.

Sec. 115. [176.186] [RECORDS FROM OTHER STATE AGENCIES.]

Notwithstanding any other state law to the contrary, the commissioner may obtain from the department of revenue, department of economic security, and office of the secretary of state, or any other state agency, upon request, names or lists of employers doing business in the state. This information shall be treated by the commissioner in the manner provided by chapter 13 and shall be used only for insurance verification by the commissioner.

Sec. 116. Minnesota Statutes 1982, section 176.191, is amended by adding a subdivision to read:

Subd. 5. Where a dispute exists between an employer, insurer, the special compensation fund, the reopened case fund, or the workers' compensation reinsurance association, regarding benefits payable under this chapter, the dispute may be submitted with consent of all interested parties to binding arbitration pursuant to the rules of the American arbitration association. The decision of the arbitrator shall be conclusive with respect to all issues presented except as provided in subdivisions 6 and 7. Consent of the employee is not required for submission of a dispute to arbitration pursuant to this section and the employee is not bound by the results of the arbitration. An arbitration award shall not be admissible in any other proceeding under this chapter. Notice of the proceeding shall be given to the employee.

The employee, or any person with material information to the facts to be arbitrated, shall attend the arbitration proceeding if any party to the proceeding deems it necessary. Nothing said by an employee in connection with any arbitration proceeding may be used against the employee in any other proceeding under this chapter. Reasonable expenses of meals, lost wages, and travel of

the employee or witnesses in attending shall be reimbursed on a pro rata basis.

Sec. 117. Minnesota Statutes 1982, section 176.191, is amended by adding a subdivision to read:

Subd. 6. If the employee commences an action under this chapter for benefits arising out of the same injury which resulted in the dispute arbitrated under subdivision 5, and if the benefits awarded to the employee under the employee's claim are inconsistent with the arbitration decision, any increase in benefits over those paid pursuant to the arbitration proceeding is paid by the party or parties who ordinarily would have been required to pay the increased benefits but for the arbitration. Any reimbursement from the employee of any decrease in benefits from those paid pursuant to the arbitration is paid to the party or parties who previously had paid the increased benefits. The provisions of this subdivision apply regardless of whether more or fewer employers and insurers or the special fund have been added or omitted as parties to the employee's subsequent action after arbitration.

Sec. 118. Minnesota Statutes 1982, section 176.191, is amended by adding a subdivision to read:

Subd. 7. If an employee brings an action under the circumstances described in subdivision 6, the parties to the previous arbitration may be represented at the new action by a common or joint attorney.

Sec. 119. Minnesota Statutes 1982, section 176.191, is amended by adding a subdivision to read:

Subd. 8. No attorney's fees shall be awarded under either section 176.081, subdivision 8, or 176.191 against any employer or insurer in connection with any arbitration proceeding unless the employee chooses to retain an attorney to represent the employee's interests during arbitration.

Sec. 120. Minnesota Statutes 1982, section 176.195, is amended by adding a subdivision to read:

Subd. 1a. [ADDITIONAL GROUNDS.] Where an insurer or agent of an insurer has failed to comply with provisions of this chapter, other than the provisions in subdivision 1, the commissioner of insurance may revoke the license of the insurer to write workers' compensation insurance.

Sec. 121. Minnesota Statutes 1982, section 176.195, subdivision 2, is amended to read:

Subd. 2. [COMMENCEMENT OF PROCEEDINGS.]
(SUCH) *The commissioner of insurance may act under subdivision 1 or 1a upon his own motion, the recommendation of the commissioner (OF THE DEPARTMENT) of labor and industry, the chief hearing examiner, or the workers' compensation court of appeals, or the complaint of any interested person.*

Sec. 122. Minnesota Statutes 1982, section 176.195, is amended by adding a subdivision to read:

Subd. 7. [REPORT TO COMMISSIONER OF INSURANCE.] *The commissioner may send reports to the commissioner of insurance regarding compliance with this chapter by insurers writing workers' compensation insurance. A report may include a recommendation for revocation of an insurer's license under this section and may also recommend the imposition of other penalties which may be imposed upon insurers by the commissioner of insurance.*

Sec. 123. Minnesota Statutes 1982, section 176.221, is amended to read:

176.221 [PAYMENT OF COMPENSATION AND TREATMENT CHARGES, COMMENCEMENT.]

Subdivision 1. [COMMENCEMENT OF PAYMENT.]
Within 14 days of notice to or knowledge by the employer of an injury compensable under this chapter the payment of *temporary total* compensation (DUE PURSUANT TO SECTION 176.101, SUBDIVISION 1,) shall commence. Commencement of payment by an employer or insurer does not waive any rights to any defense the employer may have on any claim or incident either with respect to the compensability of the claim under chapter 176 or the amount of the compensation due. Where there are multiple employers, the first employer shall pay, unless it is shown that the injury has arisen out of employment with the second or subsequent employer. (WHEN) *If the employer or insurer has commenced payment of compensation under this subdivision but determines within 30 days of notice to or knowledge by the employer of the injury that the disability is not a result of a personal injury, payment of compensation may be (DISCONTINUED) terminated upon (NOTICE OF DISCONTINUANCE PURSUANT TO SECTION 176.241) the filing of a notice of denial of liability.* Upon the (DETERMINATION) *termination, payments made may be recovered by the employer if the commissioner or compensation judge finds that the employee's claim of work related disability was not made in good faith. A notice of denial of liability must state in detail specific reasons explaining why the claimed injury or occupational disease was determined not to be within the scope and course of employment and shall include the name and telephone number of the person making this determination.*

(SUBD. 2. [GRANT OF EXTENSION.] UPON APPLICATION MADE WITHIN 30 DAYS AFTER THE DATE ON WHICH THE FIRST PAYMENT WAS DUE, THE COMMISSIONER MAY GRANT AN EXTENSION OF TIME WITHIN WHICH TO DETERMINE LIABILITY. THE EXTENSION SHALL NOT EXCEED 30 DAYS.)

Subd. 3. [PAYMENTS TO SPECIAL COMPENSATION FUND.] Where an employer or insurer fails to begin payment of compensation (, CHARGES FOR TREATMENT UNDER SECTION 176.135 OR RETRAINING EXPENSES UNDER 176.102, SUBDIVISION 9) *pursuant to subdivision 1*, or to file a denial of liability *within the 14-day period referred to in subdivision 1*, (OR TO REQUEST AN EXTENSION OF TIME WITHIN 30 DAYS AFTER THE DATE ON WHICH THE FIRST PAYMENT WAS DUE, HE) *it shall pay to the special compensation fund an amount equal to the total amount of compensation to which the employee is entitled because of the injury* (. IN ADDITION, EACH DAY SUBSEQUENT TO THE END OF THE PERIOD AND UNTIL A) *to receive up to the date compensation payment is made to the (INJURED) employee* (, THE PERSON RESPONSIBLE FOR PAYMENT OF COMPENSATION SHALL PAY TO THE SPECIAL COMPENSATION FUND AN AMOUNT EQUAL TO THE TOTAL COMPENSATION TO WHICH THE INJURED EMPLOYEE IS ENTITLED).

(SUBD. 4. [FAILURE TO MAKE PAYMENTS AFTER EXTENSION.] WHERE AN EMPLOYER OR INSURER HAS BEEN GRANTED AN EXTENSION OF TIME WITHIN WHICH TO DETERMINE LIABILITY AND FAILS TO BEGIN PAYMENT OF COMPENSATION, CHARGES FOR TREATMENT UNDER SECTION 176.135 OR RETRAINING EXPENSES UNDER 176.102, SUBDIVISION 9 OR TO FILE A DENIAL OF LIABILITY WITHIN SUCH EXTENDED PERIOD. HE SHALL MAKE THE PAYMENTS PROVIDED IN SUBDIVISION 3.)

(SUBD. 5. [DOUBLE PAYMENTS TO SPECIAL COMPENSATION FUND.] WHERE AN EMPLOYER OR INSURER HAS FAILED TO MAKE THE PAYMENTS REQUIRED BY SUBDIVISION 3 OR SUBDIVISION 4 WITHIN 30 DAYS FROM THE END OF THE PERIOD OR THE EXTENDED PERIOD, THE DIVISION MAY REQUIRE HIM TO PAY TO THE SPECIAL COMPENSATION FUND, EACH DAY SUBSEQUENT TO THE END OF THE PERIOD AND UNTIL A COMPENSATION PAYMENT IS MADE TO THE INJURED EMPLOYEE, A SUM EQUAL TO DOUBLE THE TOTAL AMOUNT OF COMPENSATION TO WHICH THE EMPLOYEE IS ENTITLED BECAUSE OF THE INJURY. IN ADDITION, THE PERSON RESPONSIBLE FOR COMPENSATION, CHARGES FOR TREATMENT UNDER SECTION 176.135 OR RETRAINING EXPENSES UNDER 176.-

102, SUBDIVISION 9 SHALL PAY TO THE SPECIAL COMPENSATION FUND AN AMOUNT EQUAL TO THE TOTAL AMOUNT OF COMPENSATION TO WHICH THE EMPLOYEE IS ENTITLED.)

Subd. 6. [ASSESSMENT OF PENALTIES.] The division or compensation judge shall assess the penalty payments provided for by (SUBDIVISIONS) subdivision 3 (TO 5,) and any increase in benefit payments provided by section 176.225, subdivision 5, against (EITHER THE EMPLOYER OR) the insurer (DEPENDING UPON TO WHOM THE DELAY IS ATTRIBUTABLE IN MAKING PAYMENT OF COMPENSATION, CHARGES FOR TREATMENT UNDER SECTION 176.135 OR RETRAINING EXPENSES UNDER 176.102, SUBDIVISION 9). The insurer is (NOT) liable for a penalty payment assessed against it even if the delay is attributable to the employer.

An insurer who has paid a penalty under this section may recover from the employer the portion of the penalty attributable to the acts of the employer which resulted in the delay. A penalty paid by an insurer under this section which is attributable to the fault of the employer shall be treated as a loss in an experience rated plan, retrospective rating plan, or dividend calculation where appropriate.

Subd. 6a. [MEDICAL, REHABILITATION, ECONOMIC RECOVERY, AND IMPAIRMENT COMPENSATION.] *The penalties provided by this section apply in cases where payment for treatment under section 176.135, rehabilitation expenses under section 176.102, subdivision 9, economic recovery compensation or impairment compensation are not made in a timely manner as required by law or by rule adopted by the commissioner.*

Subd. 7. [INTEREST.] Any payment of compensation, charges for treatment under section 176.135 or (RETRAINING) rehabilitation expenses under 176.102, subdivision 9 not made when due shall bear interest at the rate of eight percent (PER ANNUM) a year from the due date to the date the payment is made or the rate set by section 549.09, subdivision 1, whichever is greater.

Subd. 8. [METHOD AND TIMELINESS OF PAYMENT.] Payment of compensation under this chapter shall be by immediately payable negotiable instrument, or if by any other method, arrangements shall be available to provide for the immediate negotiability of the payment instrument.

All payment of compensation shall be made within 14 days of the filing of an appropriate order by the division or a compensation judge, unless the order is (TO BE) appealed (,) or (WHERE) if a different time period is provided by this chapter.

Sec. 124. Minnesota Statutes 1982, section 176.225, subdivision 1, is amended to read:

Subdivision 1. [GROUNDS.] Upon reasonable notice and hearing or opportunity to be heard, the division, *a compensation judge*, or upon appeal, the workers' compensation court of appeals or the supreme court may award compensation, in addition to the total amount of compensation award, of up to 25 percent of that total amount where an employer or insurer has:

- (a) instituted a proceeding or interposed a defense which does not present a real controversy but which is frivolous or for the purpose of delay; or,
- (b) unreasonably or vexatiously delayed payment; or,
- (c) neglected or refused to pay compensation; or,
- (d) intentionally underpaid compensation.

Sec. 125. Minnesota Statutes 1982, section 176.225, subdivision 2, is amended to read:

Subd. 2. [EXAMINATION OF BOOKS AND RECORDS.] To determine whether an employer or insurer (HAS BECOME SUBJECT TO) *is liable for* the payment provided by subdivision 1, the division, *a compensation judge*, or the workers' compensation court of appeals upon appeal may examine the books and records of the (PERSON) *employer or insurer* relating to the payment of compensation, and may require (HIM) *the employer or insurer* to furnish any other information relating to the payment of compensation.

Sec. 126. Minnesota Statutes 1982, section 176.225, subdivision 3, is amended to read:

Subd. 3. [DEFIANCE OF DIVISION, COMPENSATION JUDGE, OR WORKERS' COMPENSATION COURT OF APPEALS, COMPLAINT.] (WHERE) *If* an insurer persists in an action or omission listed in subdivision 1, or does not permit the examination of (HIS) books and records, or fails to furnish (SUCH) information as required, the commissioner or *the chief hearing examiner* shall file a written complaint with the insurance commissioner. The complaint shall specify the facts and recommend the revocation of the license of the insurer to do business in this state. The workers' compensation court of appeals may also file (SUCH) *a* written complaint.

Sec. 127. Minnesota Statutes 1982, section 176.231, subdivision 3, is amended to read:

Subd. 3. [PHYSICIANS, CHIROPRACTORS, OR (SURGEONS) OTHER HEALTH CARE PROVIDERS TO REPORT INJURIES.] (WHERE) A physician (OR SURGEON), *chiropractor, or other health care provider who* has examined, treated, or has special knowledge of an injury to an employee which may be compensable under this chapter, (HE) shall report to the commissioner (OF THE DEPARTMENT OF LABOR AND INDUSTRY) all facts relating to the nature and extent of the injury and disability, *and the treatment provided for the injury or disability*, within ten days after (HE) *the health care provider* has received a written request for (SUCH) *the* information from the commissioner (OF THE DEPARTMENT OF LABOR AND INDUSTRY) or (ANY MEMBER OR EMPLOYEE THEREOF) *an authorized representative of the commissioner.*

Sec. 128. Minnesota Statutes 1982, section 176.231, subdivision 4, is amended to read:

Subd. 4. [SUPPLEMENTARY REPORTS.] The commissioner (OF THE DEPARTMENT OF LABOR AND INDUSTRY), or (ANY MEMBER OR EMPLOYEE THEREOF), *an authorized representative* may require the filing of (SUCH) supplementary reports of accidents as (IT DEEMS) *is deemed* necessary to provide information required by law.

Supplementary reports related to the current nature and extent of the employee's injury, disability, or treatment may be requested from a physician, surgeon, chiropractor, or other health care provider by the commissioner or a representative, an employer or insurer, or the employee.

Sec. 129. Minnesota Statutes 1982, section 176.231, subdivision 5, is amended to read:

Subd. 5. [FORMS FOR REPORTS.] The commissioner (OF THE DEPARTMENT OF LABOR AND INDUSTRY) shall *by rule* prescribe forms for use in making the reports required by this section. *The first report of injury* form which the employer submits (WITH REFERENCE TO AN ACCIDENT) shall include a declaration by the employer (THAT HE WILL) *of a promise to pay the compensation the law requires. Forms for reports required by this section shall be as prescribed by the commissioner and shall be the only forms used by an employer, insurer, self-insurer, group self-insurer, and all health care providers.*

Sec. 130. Minnesota Statutes 1982, section 176.231, subdivision 9, is amended to read:

Subd. 9. [USES WHICH MAY BE MADE OF REPORTS.] Reports filed with the commissioner (OF THE DEPARTMENT OF LABOR AND INDUSTRY) under this section may be used

in hearings held under this chapter, and for the purpose of state investigations and for statistics.

The division or office of administrative hearings or workers' compensation court of appeals may permit an attorney at law who represents an employer, insurer, or an employee or (HIS) a dependent to examine its file in a compensation case if the attorney furnishes written authorization to do so from (HIS) the attorney's client. Reports filed under this section and other information the commissioner has regarding injuries or deaths shall be made available to the workers' compensation reinsurance association for use by the association in carrying out its responsibilities under chapter 79.

Sec. 131. Minnesota Statutes 1982, section 176.231, subdivision 10, is amended to read:

Subd. 10. [FAILURE TO FILE REQUIRED REPORT, PENALTY.] (WHERE) *If an employer, physician, (OR SURGEON HAS FAILED) chiropractor, or other health provider fails to file with the commissioner (OF THE DEPARTMENT OF LABOR AND INDUSTRY) any report required by this section in the manner and within the time limitations prescribed, (HE SHALL FORFEIT TO THE STATE \$50) or otherwise fails to provide a report required by this section in the manner provided by this section, the commissioner may impose a penalty of up to \$200 for each (SUCH) failure.*

The attorney general shall sue in a civil action to collect this penalty upon notification of the matter by the commissioner (OF THE DEPARTMENT OF LABOR AND INDUSTRY). The commissioner (OF THE DEPARTMENT OF LABOR AND INDUSTRY) shall certify to the attorney general each failure to report immediately upon its occurrence.

Penalties collected by the state under this subdivision shall be paid into the state treasury.

Sec. 132. Minnesota Statutes 1982, section 176.241, subdivision 2, is amended to read:

Subd. 2. [CONTINUANCE OF EMPLOYER'S LIABILITY; SUSPENSION.] Except (WHERE) *when the commissioner orders otherwise, until the copy of the notice and reports have been filed with the division, the liability of the employer to make payments of compensation continues.*

When the division has received a copy of the notice of discontinuance, the statement of facts and available medical reports, the duty of the employer to pay compensation is suspended pending an investigation, hearing, and determination of the matter by

the division or compensation judge as provided in the following subdivisions.

Sec. 133. Minnesota Statutes 1982, section 176.241, subdivision 4, is amended to read:

Subd. 4. [ORDER.] When the hearing has been held (,) and (HE HAS DULY CONSIDERED) the evidence *duly considered*, the person who held the hearing shall promptly enter an order directing the payment of further compensation or confirming the termination of compensation. (WHERE) *If the order confirms a termination of compensation, (THE COMMISSIONER OF LABOR AND INDUSTRY SHALL NOTIFY THE EMPLOYER OF THE ACTION. THIS NOTIFICATION) the service and filing of the order* relieves the employer from further liability for compensation subject to the right of review afforded by this chapter, and to the right of the (DIVISION) *compensation judge* to set aside the order at any time prior to the review and to grant a new hearing pursuant to this chapter. *Once an appeal to the workers' compensation court of appeals is filed, a compensation judge may not set aside the order but the court of appeals may remand the matter to a compensation judge for a new hearing.*

Sec. 134. [176.242] [ADMINISTRATIVE CONFERENCE PRIOR TO DISCONTINUANCE OF COMPENSATION.]

Subdivision 1. [NOTICE OF DISCONTINUANCE; GROUNDS.] *If an employer or insurer files a notice of intention to discontinue, the employer or insurer shall serve a copy upon the commissioner and the employee including detailed reasons for the intended discontinuance.*

Subd. 2. [CONFERENCE, REQUEST.] (a) *The employee has ten calendar days from the date the notice was served to request that the commissioner schedule an administrative conference to determine the appropriateness of the proposed discontinuance. The employer or insurer may request an administrative conference under this section at any time whether or not a notice of intent to discontinue is filed. The commissioner shall schedule an administrative conference to be held within ten calendar days after the commissioner receives timely notice of the employee's or employer's request for an administrative conference.*

(b) *If the employee does not, in a timely manner, request that the commissioner schedule an administrative conference, or fails to appear, without good cause, at a scheduled conference, compensation may be discontinued, subject to the employee's right under section 176.241.*

(c) *An employee or employer may request a continuance of a scheduled administrative conference. If the commissioner de-*

termines that good cause exists for granting a continuance the commissioner may grant the continuance which shall not exceed ten calendar days. No more than one continuance shall be granted.

(d) The purpose of an administrative conference is to determine whether reasonable grounds exist for a discontinuance and to clarify issues and resolve disputes regarding the discontinuance.

Subd. 3. [NECESSITY FOR CONFERENCE, COMMISSIONER'S DISCRETION.] The commissioner may determine that no administrative conference is necessary under this section and permit the employer or insurer to discontinue compensation, subject to the employee's right under section 176.241.

The commissioner may permit compensation to be discontinued at any time after a notice pursuant to subdivision 1 is received even if no administrative conference has been held, if the commissioner deems the discontinuance appropriate based on the information the commissioner has; subject to the employee's right under section 176.241.

Subd. 4. [ADMINISTRATIVE DECISION.] After considering the information provided by the parties at the administrative conference, the commissioner shall issue to all interested parties a written administrative decision permitting or denying the employer's or insurer's request to discontinue compensation. The decision shall be issued within five working days from the close of the conference. The commissioner's decision is binding on the parties. The commissioner shall advise all parties of the right to petition to the chief hearing examiner under section 176.241 and of the right to be represented by an attorney at a hearing before a compensation judge.

Subd. 5. [OBJECTION TO DECISION.] If the commissioner grants the employer's or insurer's request to discontinue compensation and the employee objects to the discontinuance, the employee may file an objection to discontinuance under section 176.241. If the commissioner denies the request to discontinue compensation the employer or insurer may file a petition to discontinue under section 176.241.

Subd. 6. [EFFECT OF DECISION, APPEAL.] If an objection or a petition is filed under subdivision 5, the commissioner's administrative decision remains in effect and the parties obligations or rights to pay or receive compensation are governed by the commissioner's administrative decision, pending a determination by a compensation judge.

Subd. 7. [DECISION AS NOTICE.] If a party proceeds under subdivision 5, the commissioner's administrative decision under this section is deemed required notice to interested parties

under section 176.241 and the commissioner's obligations under section 176.241 are deemed to be met.

Subd. 8. [WHEN DISCONTINUANCE ALLOWED.] Compensation shall not be discontinued prior to an administrative conference except as provided under subdivision 2, clause (b) or if the commissioner determines pursuant to subdivision 3 that no administrative conference is necessary. The employer may discontinue compensation immediately without having an administrative conference if the discontinuance is because the employee has returned to work.

Subd. 9. [NOTICE, FORMS.] Notice to the employee under subdivision 1 shall be on forms prescribed by the commissioner.

Subd. 10. [FINES, VIOLATIONS.] An employer or insurer who discontinues compensation in violation of this section is subject to a fine of up to \$500 for each violation. Fines shall be paid to the special compensation fund.

Subd. 11. [APPLICATION.] This section is applicable to any notice of intent to discontinue which is filed after the effective date of this section, even if the injury occurred prior to the effective date of this section.

Sec. 135. [176.243] [ADMINISTRATIVE CONFERENCE FOLLOWING RETURN TO WORK, SUBSEQUENT INABILITY TO WORK.]

Subdivision 1. [CONFIRMATION OF EMPLOYMENT AND WAGES.] If an insurer has discontinued compensation to an employee because the employee has returned to work, the insurer shall contact the employer by whom the employee is employed 14 calendar days after return to work. The insurer shall determine whether the employee is still employed after 14 days and shall also ascertain the wages being paid to the employee.

Subd. 2. [NOTICE TO COMMISSIONER.] If upon contact the insurer determines that the employee is not working or that the employee is earning a lower wage than at the time of the injury, the insurer shall notify the commissioner in writing of this fact and shall also state the actions that the insurer has taken or intends to take regarding payment of compensation. A copy of this notice shall be served by the insurer by certified mail to the employee.

Subd. 3. [EMPLOYEE REQUEST FOR ADMINISTRATIVE CONFERENCE.] If the employee objects to the action of the insurer regarding payment of compensation upon the cessation of work by the employee, the employee may request an

administrative conference with the commissioner to resolve disputed issues. A request for an administrative conference shall be made within ten calendar days after service of the notice on the employee. If the employee requests an administrative conference the commissioner shall schedule a conference to be held within 14 calendar days after the commissioner receives the request.

Subd. 4. [ADMINISTRATIVE DECISION.] *After considering the information provided by the parties at the administrative conference the commissioner shall issue to all interested parties a written administrative decision regarding payment of compensation. The commissioner's decision is binding upon the parties and the rights and obligation of the parties are governed by the decision. The commissioner shall advise all parties of the right to petition to the chief hearing examiner under section 176.241 and of the right to be represented by an attorney at a hearing before a compensation judge. A party aggrieved by the commissioner's decision may proceed under section 176.241.*

Subd. 5. [DECISION BINDING PENDING COMPENSATION JUDGE DECISION.] *If an aggrieved party files a petition under section 176.241, the commissioner's administrative decision remains in effect pending a determination by a compensation judge.*

Subd. 6. [DECISION AS NOTICE.] *If a party proceeds under section 176.241, the commissioner's administrative decision is deemed to fulfill the division's obligations under section 176.241.*

Subd. 7. [OBLIGATIONS PRIOR TO ADMINISTRATIVE DECISION.] *If an insurer has not voluntarily recommenced compensation following the employee's cessation of work, the insurer is not obligated to do so until an administrative conference is held and unless the commissioner determines that compensation shall be recommenced.*

Subd. 8. [NECESSITY OF ADMINISTRATIVE CONFERENCE.] *If the commissioner deems it appropriate, based upon information the commissioner has, the commissioner may determine that an administrative conference is not necessary, in which case a party may proceed under section 176.241.*

Subd. 9. [APPLICATION OF SECTION.] *This section applies only when the employee has received at least 30 days of temporary total or temporary partial compensation prior to return to work and if no rehabilitation plan has been approved.*

Subd. 10. [NOTICE FORMS.] *A notice under this section shall be on a form prescribed by the commissioner.*

Subd. 11. [FINES, VIOLATIONS.] An employer or insurer who violates this section is subject to a fine of up to \$500 for each violation which shall be paid to the special compensation fund.

Subd. 12. [APPLICATION.] This section is applicable to all cases in which a return to work has occurred after the effective date of this section even if the injury occurred prior to the effective date.

Sec. 136. Minnesota Statutes 1982, section 176.281, is amended to read:

176.281 [ORDERS, DECISIONS, AND AWARDS; FILING; SERVICE.]

When the commissioner or compensation judge or office of administrative hearings or the workers' compensation court of appeals has rendered (AN) *a final order, decision, or award, or amendment to an order, decision, or award*, it shall be filed immediately with the commissioner. (WHERE) *If the commissioner, compensation judge, office of administrative hearings, or workers' compensation court of appeals has rendered (AN) a final order, decision, or award, or amendment thereto*, the commissioner or the office of administrative hearings or the workers' compensation court of appeals shall immediately serve a copy upon every party in interest, together with a notification of the (TIME) *date the (SAME) order was filed.*

Sec. 137. Minnesota Statutes 1982, section 176.285, is amended to read:

176.285 [SERVICE OF PAPERS AND NOTICES.]

Service of papers and notices shall be by mail or (BY SUCH OTHER MEANS) *otherwise* as the commissioner (OF THE DEPARTMENT OF LABOR AND INDUSTRY DIRECTS) *or the chief hearing examiner may by rule direct.* Where service is by mail, service is effected at the time mailed if properly addressed and stamped. If it is so mailed, it is presumed the paper or notice reached the party to be served. However, a party may show by competent evidence that (HE) *that party* did not receive it or that it had been delayed in transit for an unusual or unreasonable period of time. In case of (SUCH) *non-receipt or delay*, an allowance shall be made for the party's failure to assert a right within the prescribed time.

The commissioner (OF THE DEPARTMENT OF LABOR AND INDUSTRY) *and the chief hearing examiner shall (KEEP A CAREFUL RECORD OF EACH SERVICE INCLUDING THE TIME WHEN MADE) ensure that proof of service of all*

papers and notices served by their respective agencies is placed in the official file of the case.

Sec. 138. [176.312] [AFFIDAVIT OF PREJUDICE.]

An affidavit of prejudice for cause may be filed by a party to the claim against a compensation judge, in the same manner as an affidavit of prejudice is filed pursuant to law or rule of district court. The filing of an affidavit of prejudice against a compensation judge has the same effect and shall be treated in the same manner as in district court.

Sec. 139. Minnesota Statutes 1982, section 176.321, subdivision 1, is amended to read:

Subdivision 1. [FILING, SERVICE.] Within (TWENTY) 20 days after (HE HAS BEEN SERVED WITH A COPY) service of the petition, an adverse party (MAY) shall serve and file (A VERIFIED) an answer to the petition. (WHEN HE FILES THE ANSWER,) The party shall (ALSO) serve a copy of the answer on the petitioner or (HIS) the petitioner's attorney.

(WITHIN FIVE DAYS AFTER HE HAS BEEN SERVED WITH A COPY OF THE ANSWER, THE PETITIONER MAY FILE A VERIFIED REPLY ADMITTING OR DENYING NEW MATTER SET FORTH IN THE ANSWER.)

Sec. 140. Minnesota Statutes 1982, section 176.331, is amended to read:

176.331 [AWARD BY DEFAULT.]

(WHERE) If an adverse party (HAS FAILED) fails to file and serve an answer (, IF) and the petitioner presents proof of (SUCH) this fact, the commissioner or compensation judge (SHALL) may enter whatever award or order to which the petitioner is entitled on the basis of the facts alleged in the petition, but the compensation judge may require proof of an alleged fact. If the commissioner requires (SUCH) proof, (HE) the commissioner shall request the chief hearing examiner to assign the matter to a compensation judge (TO SUMMARILY HEAR AND DETERMINE THE SAME) for an immediate hearing and (TO PROMPTLY MAKE AN) prompt award or other order.

Where in (SUCH) a default case the petition does not state facts sufficient to support an award, the compensation judge shall give the petitioner or (HIS) the petitioner's attorney written notice of this deficiency. The petitioner may thereupon serve and file another petition as in the case of an original petition.

Sec. 141. Minnesota Statutes 1982, section 176.341, is amended to read:

176.341 [HEARING ON PETITION.]

Subdivision 1. [TIME.] (WHEN THE REPLY HAS BEEN FILED OR THE TIME HAS EXPIRED IN WHICH TO FILE A REPLY) *Upon receipt of a matter from the commissioner, the chief hearing examiner shall fix a time and place for hearing the petition. The hearing shall be held as soon as practicable and at a time and place determined by the chief hearing examiner to be the most convenient for the parties, keeping in mind the intent of chapter 176 (AS EXPRESSED IN SECTION 176.001) and the requirements of section 176.306.*

Subd. 2. [PLACE.] Unless otherwise ordered by the (COMMISSIONER OF THE DEPARTMENT OF LABOR AND INDUSTRY OR COMPENSATION JUDGE) *chief hearing examiner, the hearing shall be held in the county where the injury or death occurred.*

Subd. 3. [NOTICE MAILED TO EACH PARTY.] At least (FIVE) 30 days prior to the date of hearing, the (WORKERS' COMPENSATION DIVISION) *chief hearing examiner shall mail a notice of the time and place of hearing to each interested party. This subdivision does not apply to hearings which have been continued from an earlier date. In those cases, the notice shall be given in a manner deemed appropriate by the chief hearing examiner after considering the particular circumstances in each case.*

Sec. 142. Minnesota Statutes 1982, section 176.361, is amended to read:

176.361 [INTERVENTION.]

(WHERE) A person *who* has an interest in any matter before the workers' compensation court of appeals, or commissioner, or compensation judge (OF) such (A CHARACTER) that (HE) *the person* may either gain or lose by an order or decision (, HE) may intervene in the proceeding by filing an application in writing stating the facts which show (SUCH) *the* interest.

The commissioner of the department of labor and industry and workers' compensation court of appeals shall adopt rules to govern the procedure for intervention.

Sec. 143. Minnesota Statutes 1982, section 176.371, is amended to read:

176.371 [AWARD OR DISALLOWANCE OF COMPENSATION.]

The compensation judge to whom a petition has been assigned for hearing, shall hear all competent, *relevant* evidence produced at the hearing (, AND, AS SOON AFTER THE HEARING AS POSSIBLE, MAKE FINDINGS OF FACT, CONCLUSIONS OF LAW,). *All questions of fact and law submitted to a compensation judge at the hearing shall be disposed of and the judge's decision shall be filed with the commissioner within 60 days after the submission, unless sickness or casualty prevents a timely filing, or the time is extended by written consent of the parties, or the chief hearing examiner extends the time for good cause. The compensation judge's decision shall include a determination of all contested issues of fact and law and an award or disallowance of compensation or other order as the pleadings, evidence, this chapter and rule require. A compensation judge's decision shall include a memorandum only if necessary to delineate the reasons for the decision or to discuss the credibility of witnesses. A memorandum shall not contain a recitation of the evidence presented at the hearing but shall be limited to the compensation judge's basis for the decision.*

No part of the salary of a compensation judge shall be paid unless the chief hearing examiner determines that all decisions of that judge have been issued within the time limit prescribed by this section.

Sec. 144. Minnesota Statutes 1982, section 176.421, subdivision 3, is amended to read:

Subd. 3. [NOTICE OF APPEAL.] The appellant or (HIS) *the appellant's* attorney shall prepare and sign a written notice of appeal specifying:

- (1) the order appealed from;
- (2) that appellant appeals from the order to the workers' compensation court of appeals;
- (3) the particular finding of fact or conclusion of law which (HE) *the appellant* claims was unwarranted by the evidence or procured by fraud, coercion, or other improper conduct; *and*
- (4) (THE TESTIMONY OR OTHER PART OF THE RECORD OF THE HEARING NECESSARY TO BE TRANSCRIBED IN ORDER FOR THE COURT OF APPEALS TO CONSIDER THE APPEAL; AND,)
- ((5)) any other ground upon which the appeal is taken.

An appeal initiates the preparation of a typewritten transcript of the entire record unless the appeal is solely from an award of attorney's fees or an award of costs and disbursements or unless otherwise ordered by the court of appeals. On appeals

from an award of attorney's fees or an award of costs and disbursements, the appellant must specifically delineate in the notice of appeal the portions of the record to be transcribed in order for the court of appeals to consider the appeal.

Sec. 145. Minnesota Statutes 1982, section 176.421, subdivision 4, is amended to read:

Subd. 4. [SERVICE AND FILING OF NOTICE; COST OF TRANSCRIPT.] Within the 30 day period for taking an appeal, the appellant shall:

(1) Serve a copy of the notice of appeal on each adverse party;

(2) File the original notice, with proof of service by admission or affidavit, with the chief hearing examiner and file a copy with the commissioner;

(3) In order to defray the cost of the preparation of the record of the proceedings appealed from, pay to the state treasurer, office of administrative hearings account the sum of \$25 (; AND)

((4) SUBMIT A REQUEST THAT THE CHIEF HEARING EXAMINER ORDER THE PREPARATION OF A TRANSCRIPT OF THAT PART OF THE HEARING DELINEATED IN THE NOTICE OF APPEAL).

(A PARTY WHO DESIRES A TRANSCRIPT OF MORE OF THE HEARING THAN HAS BEEN REQUESTED BY THE APPELLANT SHALL, WITHIN FIVE WORKING DAYS OF SERVICE OF THE NOTICE OF APPEAL, MAKE A REQUEST OF THE CHIEF HEARING EXAMINER THAT THE ADDITIONAL TESTIMONY BE TRANSCRIBED.)

The *first* party (REQUESTING THE PREPARATION OF THE TRANSCRIPT OR ANY PART) *to file an appeal* is liable for the *original* cost of preparation of the transcript. *Cross-appellants or any other persons requesting a copy of the transcript are liable for the cost of the copy.* The cost of a transcript prepared by a non-governmental source shall be paid directly to that source and shall not exceed the cost that the source would be able to charge the state for the same service.

Upon the showing of cause, the chief hearing examiner may direct that a transcript be prepared without expense to the party requesting its preparation, in which case the cost of the transcript shall be paid by the office of administrative hearings.

All fees received by the office of administrative hearings for the preparation of the record for submission to the workers' compensation court of appeals or for the cost of transcripts prepared by the office shall be deposited in the office of administrative hearings account in the state treasury and shall be used solely for the purpose of keeping the record of hearings conducted under this chapter and the preparation of transcripts of those hearings.

Sec. 146. Minnesota Statutes 1982, section 176.421, subdivision 6, is amended to read:

Subd. 6. [POWERS OF WORKERS' COMPENSATION COURT OF APPEALS ON APPEAL.] On an appeal taken under this section, the workers' compensation court of (APPEALS) *appeals' review is limited to the issues raised by the parties in the notice of appeal or by a cross-appeal. In these cases, on those issues raised by the appeal, the workers' compensation court of appeals may:*

(1) disregard the findings of fact which the compensation judge has made;

(2) examine the record;

(3) substitute for the findings of fact made by the compensation judge such findings as the total evidence requires; and,

(4) make an award or disallowance of compensation or other order as the facts and findings require.

Sec. 147. Minnesota Statutes 1982, section 176.421, subdivision 7, is amended to read:

Subd. 7. [RECORD OF PROCEEDINGS.] At the division's own expense, the commissioner shall make a complete record of all proceedings before (HIMSELF.) the commissioner and shall provide a stenographer or an audio magnetic recording device to make (A) the record of the proceedings (BEFORE HIM).

The commissioner shall furnish a transcript of these proceedings to any person who requests it and who pays a reasonable charge (AND SHALL FIX THE AMOUNT OF THIS CHARGE) *which shall be set by the commissioner. Upon a showing of cause, the commissioner may direct that a transcript be prepared without expense to the person requesting the transcript, in which case the cost of the transcript shall be paid by the division. Transcript fees received under this subdivision shall be paid to the workers' compensation division account in the state treasury and shall be annually appropriated to the division for the sole purpose of providing a record and transcripts as provided in this subdivision.*

Sec. 148. Minnesota Statutes 1982, section 176.442, is amended to read:

176.442 [APPEALS FROM DECISIONS OF COMMISSIONER (OF DEPARTMENT OF LABOR AND INDUSTRY).]

Any decision or determination of the commissioner (OF THE DEPARTMENT OF LABOR AND INDUSTRY) affecting a right, privilege, benefit, or duty which is imposed or conferred under this chapter is subject to review by the workers' compensation court of appeals. A person aggrieved by (SUCH) *the determination may appeal to the workers' compensation court of appeals by filing a notice of appeal with the commissioner in the same manner and within the same time as if the appeal were from an order or decision of a compensation judge to the workers' compensation court of appeals.*

Sec. 149. Minnesota Statutes 1982, section 176.461, is amended to read:

176.461 [SETTING ASIDE AWARD.]

Except (WHERE) *when* a writ of certiorari has been issued by the supreme court and the matter is still pending in that court or (WHERE) *if* as a matter of law the determination of the supreme court cannot be subsequently modified, the workers' compensation court of appeals, for cause, at any time after an award, upon application of either party and not less than five *working* days after written notice to all interested parties, may set the award aside and grant a new hearing and refer the matter for a determination on its merits to the chief hearing examiner for assignment to a compensation judge, who shall make (SUCH) findings of fact, conclusions of law, and *and order of award or disallowance of compensation or other order (AS) based on the pleadings and the evidence produced and as required by the provisions of this chapter (SHALL REQUIRE) or rules adopted under it.*

Sec. 150. Minnesota Statutes 1982, section 176.521, subdivision 2, is amended to read:

Subd. 2. [APPROVAL.] Settlements shall be approved only where the terms conform with this chapter.

The division, a compensation judge, the workers' compensation court of appeals, and the district court shall exercise discretion in approving or disapproving a proposed settlement.

The parties to the agreement of settlement have the burden of proving that the settlement is reasonable, fair, and in con-

formity with this chapter. A settlement agreement where both the employee or his dependent and the employer or insurer and intervenors in the matter are represented by an attorney shall be conclusively presumed to be reasonable, fair, and in conformity with this chapter *except when the settlement purports to be a full, final, and complete settlement of an employee's right to medical compensation under this chapter or rehabilitation under section 176.102. A settlement which purports to do so must be approved by the division, a compensation judge, or workers' compensation court of appeals.*

The conclusive presumption in this subdivision applies to a settlement agreement entered into on or after January 15, 1982, whether the injury to which the settlement applies occurred prior to or on or after January 15, 1982.

Sec. 151. Minnesota Statutes 1982, section 176.521, subdivision 2a, is amended to read:

Subd. 2a. [SETTLEMENTS NOT SUBJECT TO APPROVAL.] When a settled case is not subject to approval, upon receipt of the stipulation for settlement, a compensation judge (OR), a settlement judge, or the workers' compensation court of appeals shall immediately sign the award and file it with the commissioner. Payment pursuant to the award shall be made within 14 days after it is filed with the commissioner. The commissioner may correct mathematical or clerical errors at any time.

Sec. 152. Minnesota Statutes 1982, section 176.521, subdivision 3, is amended to read:

Subd. 3. [SETTING ASIDE AWARD UPON SETTLEMENT.] Notwithstanding the provisions of section 176.521, subdivision 1, 2, or 2a, or any provision in the agreement of settlement to the contrary, upon the filing of a petition by any party to the settlement and after a hearing on the petition, the workers' compensation court of appeals may set aside an award made upon a settlement, pursuant to this chapter. In those cases, the workers' compensation court of appeals shall refer the matter to the chief hearing examiner for assignment to a compensation judge for hearing.

Sec. 153. Minnesota Statutes 1982, section 176.561, is amended to read:

176.561 [WORKERS' COMPENSATION COURT OF APPEALS POWERS AND DUTIES AS TO STATE EMPLOYEES; PROCEDURE FOR DETERMINING LIABILITY.]

The division, a compensation judge and the workers' compensation court of appeals have the same powers and duties in

matters relating to state employees as they have in relation to other employees.

Except as specifically provided otherwise (HEREIN) in this chapter, the procedure for determining the liability of the state for compensation is the same as that applicable in other cases.

Sec. 154. [176.572] [CONTRACT WITH INSURANCE CARRIERS.]

The commissioner may contract with group health insurance carriers or health maintenance organizations to provide health care services and reimburse health care payments for injured state employees entitled to benefits under this chapter.

Sec. 155. Minnesota Statutes 1982, section 176.571, subdivision 6, is amended to read:

Subd. 6. [FORMAL HEARING ON OBJECTIONS.] *If the commissioner (OF THE DEPARTMENT OF LABOR AND INDUSTRY SHALL HOLD) determines that a formal hearing on the objections which have been filed to the proposed order (WHERE THE CIRCUMSTANCES WARRANT SUCH) is warranted, the commissioner shall refer the matter to the chief hearing examiner for the assignment of a compensation judge who shall hold a hearing. (THE HEARING SHALL BE BEFORE A COMPENSATION JUDGE.)*

Sec. 156. Minnesota Statutes 1982, section 176.645, subdivision 1, is amended to read:

Subdivision 1. [AMOUNT.] For injuries occurring after October 1, 1975 for which benefits are payable under section 176.101, subdivisions 1, 2, 3a, and 4, and section 176.111, subdivision 5, the total benefits due the employee or any dependents shall be adjusted in accordance with this section. On October 1, 1981, and thereafter on the anniversary of the date of the employee's injury the total benefits due shall be adjusted by multiplying the total benefits due prior to each adjustment by a fraction, the denominator of which is the statewide average weekly wage for December 31, of the year two years previous to the adjustment and the numerator of which is the statewide average weekly wage for December 31, of the year previous to the adjustment. For injuries occurring after October 1, 1975, all adjustments provided for in this section shall be included in computing any benefit due under this section. Any limitations of amounts due for daily or weekly compensation under this chapter shall not apply to adjustments made under this section. No adjustment increase made on October 1, 1977 or thereafter under this section shall exceed six percent a year. In those instances where the adjustment under the formula of this section would exceed this maximum the increase shall be deemed to be six percent.

Sec. 157. Minnesota Statutes 1982, section 176.66, is amended by adding a subdivision to read:

Subd. 10. [MULTIPLE EMPLOYERS OR INSURERS; LIABILITY.] The employer liable for the compensation for a personal injury under this chapter is the employer in whose employment the employee was last exposed to the hazard of the occupational disease claimed. In the event that the employer who is liable for the compensation had multiple insurers during the employee's term of employment, the insurer or self-insurer who was on the risk during the employee's last exposure to the hazard of the occupational disease claimed is the liable party.

Sec. 158. Minnesota Statutes 1982, section 176.66, is amended by adding a subdivision to read:

Subd. 11. [DATE OF INJURY IN OCCUPATIONAL DISEASE CASES.] In the case of a claim for occupational disease, the date of injury is the date a diagnosis is made or the date the employee displays symptoms of the disease and knows or has reason to know the symptoms are related to the hazard of occupational disease, whichever occurs first.

Sec. 159. Minnesota Statutes 1982, section 176.66, is amended by adding a subdivision to read:

Subd. 12. [AMOUNT OF COMPENSATION.] The compensation for an occupational disease shall be 66-2/3 percent of the employee's weekly wage on the date of injury, as defined in subdivision 11, of the occupational disease claimed, subject to a maximum compensation equal to the maximum compensation in effect on the date of injury provided that the employee shall be immediately eligible for supplementary benefits if that employee's compensation is less than 65 percent of the statewide average weekly wage.

Sec. 160. Minnesota Statutes 1982, section 176.66, is amended by adding a subdivision to read:

Subd. 13. [EMPLOYER RIGHT TO RECOVER.] An employer or insurer who has paid compensation pursuant to this section has a right of subrogation, indemnity, or contribution against an employer or insurer for whom the employee has previously worked during which time the employee was exposed to the hazard of the occupational disease claimed. This right shall be asserted in an action before a compensation judge.

Sec. 161. [176.83] [RULES.]

In addition to any other section under this chapter giving the commissioner the authority to adopt rules, the commissioner

may adopt, amend, or repeal rules to implement the provisions of this chapter. The rules include but are not limited to:

(a) rules necessary to implement and administer section 176.102, including the establishment of qualifications necessary to be a qualified rehabilitation consultant and the requirements to be an approved registered vendor of rehabilitation services including registration fees to be paid by rehabilitation consultants and approved vendors under section 176.102. Registration fees set by the commissioner shall be set so that the total fees received approximate the amount appropriated for the function, plus the portion of general support costs and statewide indirect costs of the agency that is attributable to the function for which the fee is charged. Subsequent fee adjustments may be made without a public hearing when the total fees estimated to be received during the fiscal biennium will not exceed the sum of all direct appropriations, indirect costs, transfers in, and salary supplements for that purpose for the biennium. The rules may also provide for penalties to be imposed by the commissioner against insurers or self-insured employers who fail to provide rehabilitation consultation to employees pursuant to section 176.102. These rules may also establish criteria regarding "reasonable moving expenses" under the section. The rules may also establish criteria, guidelines, methods, or procedures to be met by an employer or insurer in providing the initial rehabilitation consultation pursuant to this chapter which would permit the initial consultation to be provided by an individual other than a qualified rehabilitation consultant, provided that in absence of such rules this consultation shall be conducted pursuant to the provisions of this chapter governing rehabilitation consultation;

(b) rules establishing standards for reviewing and evaluating the clinical consequences of services provided by qualified rehabilitation consultants, approved registered vendors of rehabilitation services, and services provided to an employee by health care providers;

(c) rules establishing standards and procedures for determining whether or not charges for health services or rehabilitation services rendered under this chapter are excessive. In this regard, the standards and procedures shall be structured to determine what is necessary to encourage providers of health services and rehabilitation services to develop and deliver services for the rehabilitation of injured employees.

The procedures shall include standards for evaluating hospital care, other health care and rehabilitation services to insure that quality hospital, other health care, and rehabilitation is available and is provided to injured employees;

(d) rules establishing standards and procedures for determining whether a provider of health care services and rehabilita-

tion services, including a provider of medical, chiropractic, podiatric, surgical, hospital or other services, is performing procedures or providing services at a level or with a frequency that is excessive, based upon accepted medical standards for quality health care and accepted rehabilitation standards.

If it is determined by the commissioner that the level, frequency or cost of a procedure or service of a provider is excessive according to the standards established by the rules, the provider shall not be paid for the excessive procedure, service, or cost by an insurer, self-insurer, or group self-insurer. In addition, the provider shall not be reimbursed or attempt to collect reimbursement for the excessive procedure, service, or cost from any other source, including the employee, another insurer, the special compensation fund, or any government program.

A health or rehabilitation provider who is determined by the commissioner to be consistently performing procedures or providing services at an excessive level or cost may be prohibited from receiving any further reimbursement for procedures or services provided under chapter 176. A prohibition imposed on a provider under this clause may be grounds for revocation or suspension of the provider's license or certificate of registration to provide health care or rehabilitation service in Minnesota by the appropriate licensing or certifying body.

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

(e) rules necessary for implementing and administering the provisions of sections 176.131, 176.132, 176.134, 176.242, 176.243, 176.251, 176.66 to 176.669, and rules regarding proper allocation of compensation under section 176.111 provided that under the rules adopted under section 176.111 a party may petition for a hearing before a compensation judge to determine the proper allocation. In this case the compensation judge may order a different allocation than prescribed by rule;

(f) procedures required for the implementation and administration of section 176.129;

(g) rules to govern the procedure for intervention pursuant to section 176.361;

(h) joint rules with either or both the workers' compensation court of appeals and the chief hearing examiner which may be necessary in order to provide for the orderly processing of claims or petitions made or filed pursuant to chapter 176;

(i) rules establishing criteria to be used by the division, compensation judge, and workers' compensation court of appeals to

determine "suitable gainful employment" and "independent contractor"; or

(j) forms and other reporting procedures to be used by an employer, insurer, medical provider, qualified rehabilitation consultant, approved vendor of rehabilitation services, attorney, employee, or other person subject to the provisions of this chapter.

The chief hearing examiner shall adopt rules relating to procedures in matters pending before a compensation judge in the office of administrative hearings.

The commissioner may adopt rules regarding requirements which must be met by individuals who are employed by insurers or self-insurers or claims servicing or adjusting agencies and who work as claims adjusters in the field of workers' compensation insurance.

The commissioner may adopt temporary rules establishing qualifications necessary to be a qualified rehabilitation consultant and penalties to be imposed against qualified rehabilitation consultants or approved vendors who violate this chapter or rules, including temporary rules, adopted under this chapter. In addition to the provisions of sections 14.29 to 14.36, at least one public hearing shall be held prior to the adoption of these temporary rules.

Sec. 162. [176.84] [SPECIFICITY OF NOTICE OR STATEMENT.]

All notices or statements required by this chapter including, but not limited to, notices or statements pursuant to sections 176.102, 176.103, 176.221, 176.241, 176.242, and 176.243, shall be sufficiently specific to convey clearly, without further inquiry, the basis upon which the party issuing the notice or statement is acting. If the commissioner or compensation judge determines that a notice or statement is not sufficiently specific to meet the standard under this section, the notice or statement may be rejected as unacceptable and the party issuing it shall be informed of this. The rejected notice or statement may be amended to meet the requirement of this section or a new one may be filed.

Sec. 163. [176.85] [PENALTIES; APPEALS.]

Subd. 1. [APPEAL PROCEDURE.] If the commissioner has assessed a penalty against a party subject to this chapter and the party believes the penalty is not warranted, the party may request that a formal hearing be held on the matter. Upon a request for a hearing the commissioner shall refer the matter to the chief hearing examiner for assignment to a compensation judge or hearing examiner.

The chief hearing examiner shall keep a record of the proceeding and provide a record pursuant to section 176.421.

The decision of the compensation judge or hearing examiner shall be final and shall be binding and enforceable. The decision may be appealed to the workers' compensation court of appeals.

Subd. 2. [EXCEPTION.] This section does not apply to penalties for which another appeal procedure is provided, including but not limited to penalties imposed pursuant to sections 176.102 or 176.103.

Subd. 3. [HEARING COSTS.] For purposes of this section, a hearing before a hearing examiner shall be treated in the same manner as a hearing before a compensation judge and no costs may be charged to the commissioner for the hearing, regardless of who hears it.

Sec. 164. Minnesota Statutes 1982, section 268.08, subdivision 3, is amended to read:

Subd. 3. [NOT ELIGIBLE.] An individual shall not be eligible to receive benefits for any week with respect to which he is receiving, has received, or has filed a claim for remuneration in an amount equal to or in excess of his weekly benefit amount in the form of

(1) termination, severance, or dismissal payment or wages in lieu of notice whether legally required or not; provided that if a termination, severance, or dismissal payment is made in a lump sum, the employer may allocate such lump sum payment over a period equal to the lump sum divided by the employee's regular pay while employed by such employer; provided any such payment shall be applied for a period immediately following the last day of work but not to exceed 28 calendar days; or

(2) vacation allowance paid directly by the employer for a period of requested vacation, including vacation periods assigned by the employer under the provisions of a collective bargaining agreement, or uniform vacation shutdown; or

(3) compensation for loss of wages under the workers' compensation law of this state or any other state or under a similar law of the United States, or under other insurance or fund established and paid for by the employer *except that this does not apply to an individual who is receiving temporary partial compensation pursuant to section 176.101, subdivision 3j*; or

(4) 50 percent of the pension payments from any fund, annuity or insurance maintained or contributed to by a base period employer including the armed forces of the United States if the employee contributed to the fund, annuity or insurance and all

of the pension payments if the employee did not contribute to the fund, annuity or insurance; or

(5) 50 percent of a primary insurance benefit under Title II of the social security act as amended, or similar old age benefits under any act of congress or this state or any other state.

Provided, that if such remuneration is less than the benefits which would otherwise be due under sections 268.03 to 268.24, he shall be entitled to receive for such week, if otherwise eligible, benefits reduced by the amount of such remuneration; provided, further, that if the appropriate agency of such other state or the federal government finally determines that he is not entitled to such benefits, this provision shall not apply.

Sec. 165. Minnesota Statutes 1982, section 471.982, subdivision 2, is amended to read:

Subd. 2. The commissioner of insurance is authorized to (PROMULGATE) *adopt* administrative rules, including emergency rules pursuant to sections 14.01 to 14.70. These rules may provide standards or guidelines governing the formation, operation, administration, dissolution of self insurance pools, and other reasonable requirements to further the purpose of this section (AND). *In developing the rules under this section, the commissioner shall (AT A MINIMUM REQUIRE) consider the following:*

(a) The requirements for self-insuring pools of political subdivisions shall be no more restrictive and may be less restrictive than the requirements for self-insuring pools of private employers;

(b) All participants in the pool are jointly and severally liable for all claims and expenses of the pool;

((B)) *(c) Each pool shall contract with a service company licensed by the commissioner to provide or contract for all administrative services required by the pool. No vendor of risk management services or entity administering a self insurance plan under this section may transact such business in this state unless it is licensed to do so by the commissioner. An applicant for a license shall state in writing the type of activities it seeks authorization to engage in and the type of services it seeks authorization to provide. The license shall be granted only when the commissioner is satisfied that the entity possesses the necessary organization, background, expertise, and financial integrity to supply the services sought to be offered. The commissioner may issue a license subject to restrictions or limitations upon the authorization, including the type of services which may be supplied or the activities which may be engaged in. The license fee shall be \$100. All licenses shall be for a period of two years;*

((C)) (d) The service company has sole responsibility for the settlement of all claims against the pool or its members for which the pool may provide indemnification;

((D)) (e) A minimum premium volume for each pool shall be established. The minimum premium volume may differ because of the kinds of coverage provided, and the limits of liability for the coverage;

((E)) (f) All premiums or other assessments due to the pool from members shall be payable prior to the period for which coverage is being provided, or at equal intervals throughout the period;

((F)) (g) Premiums shall (EITHER) be (ESTABLISHED BY AN ACTUARY APPROVED BY THE COMMISSIONER OR SHALL BE PREMIUMS FILED BY A LICENSED RATE SERVICE ORGANIZATION WITH REDUCTIONS PERMITTED SOLELY FOR ADMINISTRATIVE OR PREMIUM TAX SAVINGS) *neither excessive, inadequate, nor unfairly discriminatory*;

((G)) (h) The commissioner may require each pool to purchase excess insurance above certain limits and in a particular form. The limits or form of the excess insurance may differ based on the kinds of coverage offered by a pool, the limits of liability of the coverage, and the revenues available to pool members for the payment of premiums or assessments;

((H)) (i) Each pool shall be audited annually by a certified public accountant;

((I)) (j) *Whether* limitations on the payment of dividends to pool members (MAY BE ESTABLISHED AS) *are necessary to assure the solvency of the pool in view of the taxing and levying authority of political subdivisions*;

((J)) (k) No participant may withdraw from a pool for a period of at least three years after its initial entry into the pool;

((K)) (l) The amount of any liabilities in excess of assets shall be assessed to members of the pool within 30 days after a deficiency is identified and shall be payable by the member within 90 days;

((L)) (m) The investment policies of the pool shall be governed by the laws governing investments by cities pursuant to section 475.66;

((M)) (n) Pools shall be subject to the standards of unfair methods of competition and unfair or deceptive acts or practices established in chapter 72A;

((N)) (o) Other requirements that are necessary to protect the solvency of the pool, the rights and privileges of claimants against the pool, and citizens of the members of the pool shall be included in the rules.

Sec. 166. Minnesota Statutes 1982, section 471.982, is amended by adding a subdivision to read:

Subd. 3. The rules adopted pursuant to subdivision 2 shall not apply to self insurance pools established and open for enrollment on a statewide basis by the Minnesota league of cities insurance trust, the Minnesota school boards association insurance trust or the Minnesota association of counties insurance trust.

Sec. 167. [CITY OF DULUTH; GROUP WORKERS' COMPENSATION SELF INSURANCE POOLS.]

Subdivision 1. [FORMATION OF POOLS WITH PRIVATE EMPLOYERS.] Notwithstanding any contrary provision of other law, ordinance, or charter, the city of Duluth may enter into a self insurance pool with private employers to self insure worker's compensation liability of pool members. Any pool formed pursuant to this section shall be operated under bylaws established by members of the pool. The initial bylaws and amendments to them shall not be effective unless approved by the city of Duluth and the commissioner of insurance. The bylaws shall address the following subjects:

(a) Qualifications for group self insurer membership, including underwriting standards.

(b) The method of selecting the board of directors, including the directors' terms of office.

(c) The procedure for amending the bylaws or plan of operation.

(d) Investment of assets of the fund.

(e) Frequency and extent of loss control or safety engineering services provided to members.

(f) A schedule for payment and collection of premiums.

(g) Expulsion procedures, including expulsion for nonpayment of premiums and expulsion for excessive losses.

(h) Delineation of authority granted to the administrator.

(i) Delineation of authority granted to the service company.

(j) Basis for determining premium contributions by members including any experience rating program.

(k) Procedures for resolving disputes between members of the group, which shall not include submitting them to the commissioner.

(l) Basis for determining distribution of any surplus to the members, or assessing the membership to make up any deficit.

(m) Provisions for security to be furnished by private employers to insure assessments are paid in case of private employer insolvency.

The members participating in the pool may establish a joint board with appropriate powers to manage the pool. Each member of the pool shall pay to the pool the amounts assessed against it pursuant to the bylaws. A member may withdraw only after it has reimbursed the pool for the amounts for which it is obligated under the terms of the agreement.

Subd. 2. [APPROVAL OF COMMISSIONER.] A pool formed pursuant to this section shall not be effective or begin operation until it has been approved by the commissioner of insurance in the manner provided in Minnesota Statutes, section 471.982. Section 471.982 and any applicable rules adopted pursuant to it shall apply to any pool formed pursuant to this section. A pool formed pursuant to this section shall be a member of the workers' compensation reinsurance association and shall be bound by its plan of operation.

Sec. 168. [APPROPRIATIONS; COMPLEMENT INCREASE.]

Subdivision 1. [DEPARTMENT OF LABOR AND INDUSTRY.] (a) There is appropriated to the department of labor and industry for the fiscal years ending June 30 of the year indicated from the general fund in the state treasury:

1984	1985
\$1,847,500	\$2,142,400

The approved complement of the department of labor and industry is increased by 90 of which 2 shall be federally funded and 19 shall be from the special compensation fund. The increased complement shall be allocated as follows:

- (1) *workers' compensation administration, 1;*
- (2) *records and compliance, 15;*
- (3) *rehabilitation service, 20;*
- (4) *legal services, 1;*
- (5) *settlement and docket, 3;*
- (6) *mediation and arbitration, 6;*
- (7) *research and education, 8;*
- (8) *information management service, 6;*
- (9) *state employee fund, 6;*
- (10) *general support, 8; and*
- (11) *special compensation fund, 19.*

The appropriation provided by this clause (a) is for the purpose of paying for the increased general fund complement and expenses related to their duties.

The authorized complement for the records and compliance section shall be reduced by four positions by June 30, 1985.

(b) There is appropriated to the department of labor and industry for the fiscal years ending June 30 of the year indicated from the general fund in the state treasury:

1984	1985
\$437,500	\$875,000

The appropriation provided by this clause (b) is for the purpose of paying the state's premium to the workers' compensation reinsurance association. The commissioner of finance shall transfer to the general fund from each federal fund, dedicated or special revenue fund, or revolving fund the proportion of premium costs attributable to that fund as calculated pursuant to section 3 of this act. The amounts necessary for this transfer are appropriated from the various funds in the state treasury from which salaries are paid.

(c) There is appropriated to the department of labor and industry for the fiscal years ending June 30 of the year indicated from the special compensation fund in the state treasury:

1984	1985
\$614,000	\$646,400

The funds appropriated by this clause (c) are to pay the expenses of the increased complement provided for the fund by clause (a) and expenses related to their duties and to reimburse the general fund for legal services performed on behalf of the fund by the attorney general.

Subd. 2. [OFFICE OF ADMINISTRATIVE HEARINGS.] There is appropriated to the office of administrative hearings for the fiscal years ending June 30 of the year indicated from the general fund in the state treasury:

1984	1985
\$85,400	\$86,300

The approved complement of the office of administrative hearings is increased by two. The appropriation provided by this subdivision is for the purpose of paying for the increased complement and expenses related to their duties.

Subd. 3. [INSURANCE DIVISION.] There is appropriated to the department of commerce for its insurance division for the fiscal years ending June 30 of the year indicated from the general fund in the state treasury:

1984	1985
\$230,800	\$229,100

The approved complement of the insurance division of the department of commerce is increased by seven. The appropriation provided by this subdivision is for the purpose of paying for the increased complement and expense related to their duties.

Subd. 4. [ATTORNEY GENERAL.] There is appropriated to the office of the attorney general for the fiscal years ending June 30 of the year indicated from the general fund in the state treasury:

1984	1985
\$201,500	\$204,900

The approved complement of the office of attorney general is increased by six. The appropriation provided by this subdivision is for the purpose of providing for the increased complement and expenses related to their duties.

Sec. 169. [REPEALER.]

Minnesota Statutes 1982, sections 79.51, subdivision 2; 79.63; 175.07; 175.101, subdivision 3; 175.36; 176.102, subdivision 12; 176.131, subdivisions 9, 10, 11, and 12; 176.152; and 176.262 are repealed.

Sec. 170. [SEVERABILITY.]

If any provision of this act is found to be unconstitutional and void, the remaining provisions of the act shall remain valid, unless the court finds the valid provisions of the act are so essentially and inseparably connected with, and so dependent upon, the void provisions that the court cannot presume the legislature would have enacted the remaining valid provisions without the void one; or unless the court finds the remaining valid provisions, standing alone, are incomplete and are incapable of being executed in accordance with the legislative intent.

Sec. 171. [EFFECTIVE DATE.]

ARTICLE 2

Section 1. [176A.01] [DEFINITIONS.]

Subdivision 1. [APPLICATION.] For the purposes of sections 1 to 12, the terms defined in this section have the meanings given them.

Subd. 2. "Manager" means the manager of the state compensation insurance fund.

Subd. 3. "Fund" means the state compensation insurance fund.

Subd. 4. "Board" means the board of directors of the state compensation insurance fund.

Subd. 5. "Personal injury" or "injury" has the meaning given to it in section 176.011, subdivision 16.

Sec. 2. [176A.02] [CREATION; PURPOSE; ORGANIZATION OF THE FUND.]

Subdivision 1. [FUND CREATED.] The fund is created as a nonprofit independent public corporation for the purpose of insuring employers against liability for personal injuries for which their employees may be entitled to benefits under chapter 176.

Subd. 2. [BOARD OF DIRECTORS.] The board of directors consists of seven members and the commissioner of labor and industry who shall be an ex officio member. Each director shall hold office until a successor is appointed and qualifies. Each director shall represent a policyholder and may be an employee of a policyholder. A policyholder may designate a person to represent them on the board. The initial board of directors shall be appointed by the governor and shall consist of seven members, and the commissioner of labor and industry. Each member of the initial board shall be either an employer or employee. If the fund is operational and issuing policies upon the expiration of the terms of the initial board and thereafter, the governor shall appoint every other director until the governor has made four appointments. The remaining three directors shall be chosen by the fund's policyholders. In addition to the commissioner, no more than one member of the board shall be a representative of a governmental entity. At least two members of the board shall represent private, for profit, enterprises. No member of the board may represent or be an employee of an insurance company.

The membership terms shall be as provided in section 15.0575. The membership compensation shall be set by the board.

The board shall annually elect a chairman from among its members and other officers it deems necessary for the performance of its duties.

Subd. 3. [FUND MANAGEMENT.] The management and control of the fund is vested solely in the board.

Subd. 4. [POWERS AND DUTIES OF THE BOARD.] The board is vested with full power, authority, and jurisdiction over the fund. The board may perform all acts necessary or convenient in the exercise of any power, authority, or jurisdiction over the fund, either in the administration of the fund or in connection with the insurance business to be carried on by it under the provisions of this chapter, as fully and completely as the governing body of a private insurance carrier to fulfill the objectives and intent of this chapter.

Subd. 5. [MANAGER.] The fund is under the administrative control of the manager appointed by the board pursuant to section 5.

Subd. 6. [PERSONAL LIABILITY, EXCLUDED.] The members of the board and officers or employees of the fund are

not liable personally, either jointly or severally, for any debt or obligation created or incurred by the fund.

Sec. 3. [176A.03] [SPECIFIC POWERS OF THE FUND.]

Subdivision 1. [GENERAL.] For the purpose of carrying out its function the fund has the powers specified in this section.

Subd. 2. [INSURE WORKERS' COMPENSATION LIABILITY.] The fund may insure an employer against any workers' compensation claim arising out of and in the course of employment, as fully as any other insurer.

Subd. 3. [SELF-INSURED COVERAGE.] The fund may furnish advice, services, and employer liability insurance to any employer qualified as a self-insured employer.

Sec. 4. [176A.04] [GENERAL POWERS.]

For the purpose of exercising the specific powers granted in this chapter and effectuating the other purposes of this chapter, the fund:

- (a) may sue and be sued;*
- (b) may have a seal and alter it at will;*
- (c) may make, amend, and repeal rules relating to the conduct of the business of the fund;*
- (d) may enter into contracts relating to the administration of the fund;*
- (e) may rent, lease, buy, or sell property in its own name and may construct or repair buildings necessary to provide space for its operations;*
- (f) may declare a dividend when there is an excess of assets over liabilities, and minimum surplus requirements as consistent with chapter 60A;*
- (g) may pay medical expenses, rehabilitation expenses, compensation due claimants of insured employers, pay salaries, and pay administrative and other expenses;*
- (h) may hire personnel and set salaries and compensation; and*
- (i) may perform all other functions that are necessary or appropriate to administer the fund.*

Sec. 5. [176A.05] [MANAGER.]

Subdivision 1. [APPOINTMENT, QUALIFICATIONS.] The board shall appoint a manager of the fund who shall be in charge of the day-to-day operation of the fund. The manager shall have proven successful experience as an executive at the general management level. The manager shall receive compensation as set by the board and shall serve at the pleasure of the board.

Subd. 2. [BOND] Before entering on the duties of the office, the manager shall qualify by giving an official bond in an amount and with sureties approved by the board. The manager shall file the bond with the secretary of state. The premium for the bond shall be paid by the fund.

Sec. 6. [176A.06] [MANAGER'S POWERS.]

Subdivision 1. [GENERAL.] Subject to the authority of the board and the provisions of this chapter the manager has the powers and duties prescribed in this section.

Subd. 2. [SAFETY INSPECTION.] The manager may make safety inspections of risks and furnish advisory services to employers on safety and health measures.

Subd. 3. [DISBURSEMENT OF FUNDS.] The manager may act for the fund in collecting and disbursing money necessary to administer the fund and conduct the business of the fund.

Subd. 4. [ABSTRACT SUMMARY.] The manager shall have an abstract summary of any audit or survey conducted.

Subd. 5. [GENERAL AUTHORITY.] The manager may perform all acts necessary or convenient in the exercise of any power, authority, or jurisdiction over the fund, either in the administration of the fund or in connection with the insurance business to be carried on by the fund under this chapter, including the establishment of premium rates.

Sec. 7. [176A.07] [PROPERTY.]

Subdivision 1. [PROPERTY OF FUND.] All premiums and other money paid to the fund, all property and securities acquired through the use of money belonging to the fund, and all interest and dividends earned upon money belonging to the fund and deposited or invested by the fund, are the sole property of the fund and shall be used exclusively for the operation and obligations of the fund. The money of the fund is not state money. The property of the fund is not state property.

Subd. 2. [NO STATE APPROPRIATION.] The fund shall not receive any state appropriation at any time other than as provided by section 10.

Sec. 8. [176A.08] [EXEMPTION FROM AND APPLICABILITY OF CERTAIN LAWS.]

The fund shall not be considered a state agency for any purpose including, but not limited to, chapters 13, 14, 15, 15A, and 43A. However, the fund shall be subject to sections 179.61 to 179.77. The insurance operations of the fund are subject to all of the provisions of chapters 60A and 60B. The commissioner of insurance has the same powers with respect to the board as the commissioner has with respect to a private workers' compensation insurer under chapters 60A and 60B. The fund is considered an insurer for the purposes of chapters 60C, 72A, 79, and 176. The fund is subject to the same tax liability as a mutual insurance company in this state pursuant to section 60A.15, subdivision 2. As a condition of its authority to transact business in this state the fund shall be a member of the workers' compensation reinsurance association and is bound by its plan of operation.

Sec. 9. [176A.09] [ANNUAL REPORT.]

The manager shall submit an annual report pursuant to section 3.195 to the governor and legislature indicating the business done by the fund during the previous year and containing a statement of the resources and liabilities of the fund.

Sec. 10. [176A.10] [APPROPRIATION.]

There is appropriated from the general fund to the state compensation insurance fund a sum of \$125,600 to be available until expended. There is appropriated from the general fund to the commissioner of finance the amounts of \$1,176,900 in fiscal year 1984, and \$4,424,900 in fiscal year 1985, for the purpose of transfer to the state compensation insurance fund upon certification of need in accordance with procedures developed by the commissioner. If the appropriation for either year is insufficient, the appropriation for the other year is available for it. Any amount appropriated or transferred plus interest at eight percent a year shall be amortized over a ten-year period and shall be repaid by the fund to the general fund in equal installments at the end of each fiscal year with the first payment occurring on June 30, 1986 provided that the fund shall not begin repayment on this date unless there exists sufficient earned surplus to comply with state law. Repayment shall then begin under the terms of this subdivision when sufficient earned surplus exists.

Sec. 11. [IMPLEMENTATION.]

The members of the board of directors shall be appointed no later than September 1, 1983. The board shall act promptly to hire a manager, hire necessary employees, and acquire necessary facilities and supplies to begin operation. The fund shall begin providing workers' compensation insurance coverage when the

board determines that the fund is able to do so and all requirements under state law have been met.

Sec. 12. [REPORT TO THE LEGISLATURE AND GOVERNOR.]

The commissioner of labor and industry shall, no later than March 1, 1986, report to the legislature and governor the operations of the fund up to that date. The report shall include but not be limited to:

(1) the volume of premiums insured through the state fund and its share of the state workers' compensation insurance market;

(2) the percent division of premium dollars among various types of benefit payments and administrative costs for policies and claims under the state fund;

(3) the average rate of return enjoyed by the state fund on its invested assets;

(4) recommendations concerning desirable changes in the state fund to promote its prompt and efficient administration of policies and claims;

(5) a recommendation to the legislature and governor regarding the continued operation of the fund; and

(6) any other information the commissioner deems appropriate.

Sec. 13. [EFFECTIVE DATE.]

ARTICLE 3"

Delete the title and insert:

"A bill for an act relating to labor; providing for comprehensive reform of all aspects of workers' compensation; ratifying changes in the state employee bargaining unit composition schedule; ratifying state and University of Minnesota labor agreements, compensation plans, and plans for early retirement incentives; providing penalties; appropriating money; amending Minnesota Statutes 1982, sections 43A.23; 79.071, subdivision 1; 79.211, subdivision 1; 79.251; 79.34, subdivisions 1, 2, and by adding a subdivision; 79.35; 79.37; 79.51, subdivisions 1 and 3; 79.52, by adding a subdivision; 147.02; 175.006, subdivision 1;

175.007, subdivision 1; 175.08; 175.10; 175.101, subdivisions 1 and 2; 176.011, by adding subdivisions; 176.012; 176.021, subdivision 3; 176.041, subdivision 1; 176.061; 176.081, subdivisions 1, 2, 5, and 7, and by adding a subdivision; 176.101, subdivisions 2, 3, 6, and by adding subdivisions; 176.102, subdivisions 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, and by adding subdivisions; 176.105, by adding a subdivision; 176.111, subdivisions 6, 7, 8, and 18, and by adding a subdivision; 176.121; 176.131, subdivisions 1, 1a, 2, 3, 4, 5, 6, 7, and 8; 176.132, subdivision 1, and by adding a subdivision; 176.134, subdivision 4; 176.135, subdivisions 1 and 3; 176.136; 176.155, subdivisions 3 and 5; 176.179; 176.182; 176.183, subdivisions 1, 1a, and by adding subdivisions; 176.185, by adding a subdivision; 176.191, by adding subdivisions; 176.195, subdivision 2, and by adding a subdivision; 176.221; 176.225, subdivisions 1, 2, and 3; 176.231, subdivisions 3, 4, 5, 9, and 10; 176.241, subdivisions 2 and 4; 176.281; 176.285; 176.321, subdivision 1; 176.331; 176.341; 176.361; 176.371; 176.421, subdivisions 3, 4, 6, and 7; 176.442; 176.461; 176.521, subdivisions 2, 2a, and 3; 176.561; 176.571, subdivision 6; 176.645, subdivision 1; 176.66, by adding subdivisions; 179.741, subdivision 1, and by adding a subdivision; 268.08, subdivision 3; and 471.982, subdivision 2, and by adding a subdivision; Laws 1981, chapter 346, sections 145 and 146; proposing new law coded in Minnesota Statutes, chapters 79, 148, and 176; proposing new law coded as Minnesota Statutes, chapter 176A; repealing Minnesota Statutes 1982, sections 79.51, subdivision 2; 79.63; 175.07; 175.101, subdivision 3; 175.36; 176.102, subdivision 12; 176.131, subdivisions 9, 10, 11, and 12; 176.152; and 176.262."

A roll call was requested and properly seconded.

Simoneau moved to amend the Simoneau amendment to H. F. No. 575, as follows:

Page 112, line 5, after "*exposed*" insert "*in a significant way*"

Page 112, line 6, delete "*claimed*"

Page 112, line 9, after "*last*" insert "*significant*"

Page 112, line 10, delete "*claimed*" and after the period insert "*Where there is a dispute as to which employer is liable under this section, the employer in whose employment the employee is last exposed to the hazard of the occupational disease shall pay benefits pursuant to section 176.191, subdivision 1.*"

Page 112, delete section 158

Page 112, line 23, delete everything after the comma

Page 112, line 24, delete everything before "*subject*"

Page 112, line 26, delete "provided that"

Pages 112 and 113, delete section 160

Renumber the subdivision

Renumber the sections

Amend the title as follows:

Page 131, line 44, delete "subdivisions" and insert "a subdivision"

The motion prevailed and the amendment to the amendment was adopted.

Shea and Anderson, G., moved to amend the Simoneau amendment to H. F. No. 575, as amended, as follows:

Pages 125 to 131, delete article 2

Amend the title as follows:

Page 131, line 48, after the semicolon delete "proposing new law"

Page 131, line 49, delete "coded as Minnesota Statutes, Chapter 176A;"

A roll call was requested and properly seconded.

The question was taken on the Shea and Anderson, G., amendment to the amendment and the roll was called. There were 76 yeas and 53 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Fjoslien	Johnson	Pauly	Stadum
Anderson, C.	Forsythe	Kalis	Peterson	Svigum
Anderson, R.	Frerichs	Knickerbocker	Piepho	Tunheim
Bennett	Graba	Krueger	Quist	Uphus
Bishop	Gruenes	Kvam	Rcdalen	Valan
Blatz	Gutknecht	Levi	Reif	Valento
Brinkman	Halberg	Ludeman	Rodosovich	Vanasek
Burger	Haukoos	Marsh	Rodriguez, C.	Waltman
Carlson, D.	Heap	McDonald	Rose	Welker
Cohen	Heinitz	McEachern	Schafer	Welle
Dempsey	Himle	McKasy	Schoenfeld	Wigley
DenOuden	Hoberg	Metzen	Schreiber	Zaffke
Dimler	Hoffman	Neuenschwander	Seaberg	
Erickson	Hokr	Olsen	Shaver	
Evans	Jennings	Omann	Shea	
Findlay	Jensen	Onnen	Sherman	

Those who voted in the negative were:

Battaglia	Elioff	Minne	Quinn	Sparby
Beard	Ellingson	Munger	Rice	Staten
Begich	Greenfield	Murphy	Riveness	Swanson
Bergstrom	Gustafson	Nelson, D.	Rodriguez, F.	Vellenga
Berkelman	Jacobs	Nelson, K.	St. Onge	Voss
Carlson, L.	Kahn	Norton	Sarna	Welch
Clark, J.	Knuth	O'Connor	Scheid	Wenzel
Clark, K.	Kostohryz	Ogren	Segal	Wynia
Clawson	Larsen	Otis	Simoneau	Speaker Sieben
Coleman	Long	Piper	Skoglund	
Eken	Mann	Price	Solberg	

The motion prevailed and the amendment to the amendment was adopted.

The question recurred on the Simoneau amendment, as amended, and the roll was called. There were 34 yeas and 87 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Graba	Larsen	Price	Sparby
Bergstrom	Cruenes	Long	Rodosovich	Tunheim
Brinkman	Heinitz	McEachern	Rodriguez, C.	Vanasek
Clawson	Hoffman	Metzen	Segal	Welch
Cohen	Jensen	Nelson, D.	Shea	Welle
Coleman	Kalis	Neuenschwander	Simoneau	Speaker Sieben
Eken	Knuth	Peterson	Skoglund	

Those who voted in the negative were:

Battaglia	Findlay	Kvam	Piper	Staten
Beard	Fjoslien	Levi	Quinn	Sviggum
Begich	Forsythe	Ludeman	Quist	Swanson
Bennett	Frerichs	Marsh	Redalen	Thiede
Berkelman	Greenfield	McDonald	Reif	Tomlinson
Blatz	Gustafson	McKasy	Rice	Uphus
Burger	Gutknecht	Minne	Riveness	Valan
Carlson, D.	Halberg	Munger	Rodriguez, F.	Valento
Carlson, L.	Haukoos	Murphy	St. Onge	Voss
Clark, J.	Heap	Norton	Sarna	Waltman
Clark, K.	Himle	O'Connor	Schafer	Welker
Dempsey	Hoberg	Ogren	Scheid	Wenzel
DenOuden	Hokr	Olsen	Schoenfeld	Wigley
Dimler	Jacobs	Omann	Seaberg	Wynia
Elioff	Jennings	Onnen	Shaver	Zaffke
Ellingson	Johnson	Otis	Sherman	
Erickson	Kelly	Pauly	Solberg	
Evans	Knickerbocker	Piepho	Stadium	

The motion did not prevail and the amendment, as amended, was not adopted.

Simoneau moved that H. F. No. 575 be continued on Special Orders until Sunday, May 22, 1983.

A roll call was requested and properly seconded.

The question was taken on the Simoneau motion and the roll was called. There were 49 yeas and 71 nays as follows:

Those who voted in the affirmative were:

Battaglia	Elioff	Larsen	Piper	Skoglund
Beard	Ellingson	Long	Price	Solberg
Begich	Greenfield	Minne	Quinn	Staten
Carlson, L.	Gustafson	Nelson, D.	Rice	Swanson
Clark, J.	Hoffman	Nelson, K.	Riveness	Voss
Clark, K.	Jacobs	Norton	Rodriguez, F.	Welch
Clawson	Kahn	O'Connor	St. Onge	Welle
Cohen	Kelly	Ogren	Sarna	Wynia
Coleman	Knuth	Osthoff	Scheid	Speaker Sieben
Eken	Krueger	Otis	Simoneau	

Those who voted in the negative were:

Anderson, B.	Frerichs	Knickerbocker	Quist	Sviggum
Anderson, G.	Graba	Kvam	Redalen	Thiede
Bennett	Gruenes	Levi	Reif	Tomlinson
Blatz	Gutknecht	Ludeman	Rodosovich	Tunheim
Brinkman	Halberg	Marsh	Rose	Uphus
Burger	Haukoos	McDonald	Schafer	Valan
Carlson, D.	Heap	McKasy	Schoenfeld	Valento
Dempsey	Heinitz	Murphy	Schreiber	Waltman
DenOuden	Himle	Neuenschwander	Seaberg	Wenzel
Dimler	Hoberg	Olsen	Segal	Wigley
Erickson	Hokr	Omamn	Shaver	Zaffke
Evans	Jennings	Onnen	Shea	
Findlay	Jensen	Pauly	Sherman	
Fjoslien	Johnson	Peterson	Sparby	
Forsythe	Kalis	Piepho	Stadum	

The motion did not prevail.

Stadum and Johnson moved to amend H. F. No. 575, as follows:

Page 5, after line 19, insert:

Section 1. Minnesota Statutes 1982, section 79.071, subdivision 1, is amended to read:

Subdivision 1. The commissioner shall adopt a schedule of workers' compensation insurance rates for use in this state for each classification under which business is written until January 1, (1986) 1984. The schedule of rates shall not be excessive, inadequate, or unfairly discriminatory. In adopting a schedule of rates, the commissioner may act on the written petition of the association or any other interested party requesting that a hearing be held for modification of the schedule of rates. The commissioner may include the expense of a reasonable charge for the services of an agent of record, for the service of rejected risks as set forth in sections 79.24 to 79.27.

Sec. 2. Minnesota Statutes 1982, section 79.34, subdivision 1, is amended to read:

Subdivision 1. A nonprofit association known as the workers' compensation reinsurance association is created, which may be incorporated under chapter 317 with all the powers of a corporation formed under that chapter, except that if the provisions of that chapter are inconsistent with sections 79.34 to 79.40 or any amendments thereto, sections 79.34 to 79.40 shall govern. Each insurer as defined by section 79.01, subdivision 2, shall as a condition of its authority to transact workers' compensation insurance in this state, be a member of the reinsurance association and shall be bound by the plan of operation of the reinsurance association; provided, that all affiliated insurers within a holding company system as defined in sections 60D.01 to 60D.13 shall be considered a single entity for purposes of the exercise of all rights and duties of membership in the reinsurance association. Each self-insurer approved pursuant to section 176.181 and each political subdivision which self-insures shall, as a condition of its authority to self-insure workers' compensation liability in this state, be a member of the reinsurance association and shall be bound by its plan of operation; provided, that (a) all affiliated companies within a holding company system, as determined by the commissioner in a manner consistent with the standards and definitions in sections 60D.01 to 60D.13, shall be considered a single entity for purposes of the exercise of all rights and duties of membership in the reinsurance association, and (b) all group self-insurers granted authority to self-insure pursuant to section 176.181 shall be considered a single entity for purposes of the exercise of all the rights and duties of membership in the reinsurance association. *As a condition of its authority to self-insure workers' compensation liability, and for losses incurred on or after January 1, 1984, the state shall be a member of the reinsurance association and is bound by its plan of operation. The commissioner of labor and industry represents the state in the exercise of all the rights and duties of membership in the reinsurance association. The state treasurer shall pay the premium to the reinsurance association from the state compensation revolving fund upon warrants of the commissioner of labor and industry. For the purposes of this section "state" means the administrative branch of state government, the legislative branch, the judicial branch, the University of Minnesota, and any other entity whose workers' compensation liability is paid from the state revolving fund. The commissioner may calculate, prorate, and charge a department or agency the portion of premiums paid to the reinsurance association for employees who are paid wholly or in part by federal funds, dedicated funds, or special revenue funds.* The reinsurance association (SHALL) is not (BE DEEMED) a state agency. Actions of the reinsurance association and its board of directors and actions of the commissioner of insurance with respect to the reinsurance association (SHALL) are not (BE) subject to (CHAPTER) chapters 13, 14, and 15. The reinsurance association (SHALL BE) is exempt from taxa-

tion under the laws of this state and all property owned by the association (SHALL BE) is exempt from taxation. The reinsurance association (SHALL) is not (BE) obligated to make any payments or pay any assessments to any funds or pools established pursuant to this chapter or chapter 176 or any other law.

Sec. 3. Minnesota Statutes 1982, section 79.34, subdivision 2, is amended to read:

Subd. 2. The reinsurance association shall provide and each member shall accept indemnification for 100 percent of the amount of ultimate loss sustained in each loss occurrence relating to one or more claims arising out of a single compensable event, including aggregate losses related to a single event or occurrence which constitutes a single loss occurrence, under chapter 176 on and after October 1, 1979, in excess of \$300,000 or \$100,000 retention limit, at the option of the member. In case of occupational disease causing disablement on and after October 1, 1979, each person suffering such disablement shall be considered to be involved in a separate loss occurrence. The (LESSER) *lower* retention limit shall be increased to the nearest \$10,000, on January 1, 1982 and on each January 1 thereafter by the percentage increase in the statewide average weekly wage, as determined in accordance with section 176.011, subdivision 20. On January 1, 1982 and on each January 1 thereafter, the (GREATER) *higher* retention limit shall be increased by the amount necessary to retain a \$200,000 difference between the two retention limits. Ultimate loss as used in this section means the actual loss amount which a member is obligated to pay and which is paid by the member for workers' compensation benefits payable under chapter 176 and shall not include claim expenses, assessments, damages or penalties. *For losses incurred on or after January 1, 1979, any amounts paid by a member pursuant to sections 176.183, 176.221, 176.225, and 176.82 shall not be included in ultimate loss and shall not be indemnified by the reinsurance association.* A loss is incurred by the reinsurance association on the date on which the accident or other compensable event giving rise to the loss occurs, and a member is liable for a loss up to its retention limit in effect at the time that the loss was incurred, except that members which are determined by the reinsurance association to be controlled by or under common control with another member, and which are liable for claims from one or more employees entitled to compensation for a single compensable event, including aggregate losses relating to a single loss occurrence, may aggregate their losses and obtain indemnification from the reinsurance association for the aggregate losses in excess of the higher retention limit in effect at the time the loss was incurred. Each member is liable for payment of its ultimate loss and shall be entitled to indemnification from the reinsurance association for the ultimate loss in excess of the member's retention limit in effect at the time of the loss occurrence.

A member that chooses the higher retention limit shall retain the liability for all losses below the higher retention limit itself and shall not transfer the liability to any other entity or reinsurance or otherwise contract for reimbursement or indemnification for losses below its retention limit, except in the following cases: (a) when the reinsurance or contract is with another member which, directly or indirectly, through one or more intermediaries, control or are controlled by or are under common control with the member; (b) when the reinsurance or contract provides for reimbursement or indemnification of a member if and only if the total of all claims which the member pays or incurs, but which are not reimbursable or subject to indemnification by the reinsurance association for a given period of time, exceeds a dollar value or percentage of premium written or earned and stated in the reinsurance agreement or contract; (c) when the reinsurance or contract is a pooling arrangement with other insurers where liability of the member to pay claims pursuant to chapter 176 is incidental to participation in the pool and not as a result of providing workers' compensation insurance to employers on a direct basis under chapter 176; (d) when the reinsurance or contract is limited to all the claims of a specific insured of a member which are reimbursed or indemnified by a reinsurer which, directly or indirectly, through one or more intermediaries, controls or is controlled by or is under common control with the insured of the member so long as any subsequent contract or reinsurance of the reinsurer relating to the claims of the insured of a member is not inconsistent with the bases of exception provided under clauses (a), (b) and (c) above; or (e) when the reinsurance or contract is limited to all claims of a specific self-insurer member which are reimbursed or indemnified by a reinsurer which, directly or indirectly, through one or more intermediaries, controls or is controlled by or is under common control with the self-insurer member so long as any subsequent contract or reinsurance of the reinsurer relating to the claims of the self-insurer member are not inconsistent with the bases for exception provided under clauses (a), (b) and (c) above.

Whenever it appears to the commissioner that any member that chooses the higher retention limit has participated in the transfer of liability to any other entity or reinsured or otherwise contracted for reimbursement or indemnification of losses below its retention limit in a manner inconsistent with the bases for exception provided under clauses (a), (b), (c), (d), and (e), the commissioner may, after giving notice and an opportunity to be heard, order the member to pay to the state of Minnesota an amount not to exceed twice the difference between the reinsurance premium for the higher and lower retention limit applicable to the member for each year in which the prohibited reinsurance or contract was in effect. Any member subject to this penalty provision shall continue to be bound by its selection of the higher retention limit for purposes of membership in the reinsurance association.

Sec. 4. Minnesota Statutes 1982, section 79.34, is amended by adding a subdivision to read:

Subd. 7. For losses incurred on or after January 1, 1984, the reinsurance association shall indemnify the member for the ultimate loss, in excess of the retention limit in effect at the time of the loss occurrence, sustained in each loss occurrence relating to one or more claims arising out of a single compensable event in another state provided that:

(a) the injured worker is eligible for benefits under section 176.041, subdivision 2 or 3 but elects to receive benefits under the workers' compensation statute of another state in lieu of benefits under chapter 176; and

(b) the ultimate loss indemnified by the reinsurance association shall be determined as provided in this chapter, except that the benefits shall be equal to those required to be paid under the workers' compensation statute of the state elected.

Sec. 5. Minnesota Statutes 1982, section 79.35, is amended to read:

79.35 [DUTIES; RESPONSIBILITIES; POWERS.]

The reinsurance association shall do the following on behalf of its members:

(a) Assume 100 percent of the liability as provided in section 79.34;

(b) Establish procedures by which members shall promptly report to the reinsurance association each claim which, on the basis of the injury sustained, may reasonably be anticipated to involve liability to the reinsurance association if the member is held liable under chapter 176. Solely for the purpose of reporting claims, the member shall in all instances consider itself legally liable for the injury. The member shall advise the reinsurance association of subsequent developments likely to materially affect the interest of the reinsurance association in the claim;

(c) Maintain relevant loss and expense data relative to all liabilities of the reinsurance association and require each member to furnish statistics in connection with liabilities of the reinsurance association at the times and in the form and detail as may be required by the plan of operation;

(d) Calculate and charge to members a total premium sufficient to cover the expected liability which the reinsurance association will incur in excess of the higher retention limit but less

than the prefunded limit, together with incurred or estimated to be incurred operating and administrative expenses for the period to which this premium applies and actual claim payments to be made by members, during the period to which this premium applies, for claims in excess of the prefunded limit in effect at the time the loss was incurred. The prefunded limit shall be \$2,500,000 on and after October 1, 1979, provided that the prefunded limit shall be increased on January 1, 1983 and on each January 1 thereafter by the percentage increase in the statewide average weekly wage, to the nearest \$100,000, as determined in accordance with section 176.011, subdivision 20. Each member shall be charged a proportion of the total premium in an amount equal to its proportion of the (TOTAL STANDARD EARNED PREMIUM) *exposure base* of all members during the period to which the reinsurance association premium will apply (, AS DETERMINED BY THE COMMISSIONER). *The exposure base shall be determined by the board and is subject to the approval of the commissioner. In determining the exposure base, the board shall consider, among other things, equity, administrative convenience, records maintained by members, amenability to audit, and degree of risk refinement.* Each member exercising the lower retention option shall also be charged a premium established by the board as sufficient to cover incurred or estimated to be incurred claims for the liability the reinsurance association is likely to incur between the lower and higher retention limits for the period to which the premium applies. Each member shall also be charged a premium determined by the board to equitably distribute excess or deficient premiums from previous periods including any excess or deficient premiums resulting from a retroactive change in the prefunded limit. (AN EQUITABLE BASIS FOR DETERMINING STANDARD EARNED PREMIUM FOR SELF-INSURERS SHALL BE ESTABLISHED BY THE COMMISSIONER.) The premiums charged to members shall not be unfairly discriminatory as defined in section 79.074. All premiums shall be approved by the commissioner;

(e) Require and accept the payment of premiums from members of the reinsurance association;

(f) Receive and distribute all sums required by the operation of the reinsurance association;

(g) Establish procedures for reviewing claims procedures and practices of members of the reinsurance association. If the claims procedures or practices of a member are considered inadequate to properly service the liabilities of the reinsurance association, the reinsurance association may undertake, or may contract with another person, including another member, to adjust or assist in the adjustment of claims which create a potential liability to the association (AND). *The reinsurance association may charge the cost of the adjustment under this paragraph to the member, except that any penalties or interest*

incurred under sections 176.183, 176.221, 176.225, and 176.82 as a result of actions by the reinsurance association after it has undertaken adjustment of the claim shall not be charged to the member but shall be included in the ultimate loss and listed as a separate item; and

(h) Provide each member of the reinsurance association with an annual report of the operations of the reinsurance association in a form the board of directors may specify.

Sec. 6. Minnesota Statutes 1982, section 79.37, is amended to read:

79.37 [BOARD OF DIRECTORS.]

A board of directors of the reinsurance association is created and (SHALL BE) *is* responsible for the operation of the reinsurance association consistent with the plan of operation and sections 79.34 to 79.42. The board (SHALL CONSIST) *consists* of nine directors and the (COMMISSIONER) *commissioners* of insurance (WHO SHALL BE AN EX OFFICIO MEMBER) *and labor and industry, both of whom are voting members.* Four members of the board shall represent insurers, three members of the board shall represent employers, at least one, but not more than two of whom shall represent self-insurers, and two members of the board shall represent employees. Members shall elect the insurer directors, and the commissioner of *insurance* shall appoint the employer and employee directors, for the terms authorized in the plan of operation. Each board member (SHALL BE) *is* entitled to one vote. Terms of the directors shall be staggered so that the terms of all the directors do not expire at the same time and so that a director does not serve a term of more than four years. The board shall select a chairman and other officers it deems appropriate.

A majority of the board (SHALL CONSTITUTE) *constitutes* a quorum, notwithstanding any vacancies. Action may be taken by a majority vote of the directors present.

Sec. 7. Minnesota Statutes 1982, section 79.51, subdivision 2, is amended to read:

Subd. 2. [TRANSITION PERIOD; RULES GOVERN.] Insurance rates from July 1, 1983, to December 31, (1985) *1983*, shall be determined in accordance with rules adopted by the commissioner. The rules shall require (1) that a hearing be held pursuant to the provisions of section 79.071 to consider any petition requesting modification of rates and (2) that following the hearing the commissioner shall adopt a schedule of rates.

Sec. 8. Minnesota Statutes 1982, section 79.51, subdivision 3, is amended to read:

Subd. 3. [RULES; SUBJECT MATTER.] (a) The commissioner in issuing rules shall consider:

(1) Data reporting requirements, including types of data reported, such as loss and expense data;

(2) Experience rating plans;

(3) Retrospective rating plans;

(4) General expenses and related expense provisions;

(5) Minimum premiums;

(6) Classification systems and assignment of risks to classifications;

(7) Loss development and trend factors;

(8) The workers' compensation reinsurance association;

(9) Restrictions, prohibitions, and requirements with respect to the activities of the workers' compensation insurers rating association of Minnesota during the period from July 1, 1983 to January 1, (1986) 1984;

(10) Requiring substantial compliance with the rules mandated by this section as a condition of workers' compensation carrier licensure;

(11) Imposing limitations on the functions of workers' compensation data service organizations consistent with the introduction of competition;

(12) The rules contained in the workers' compensation rating manual adopted by the workers' compensation insurers rating association; and

(13) Any other factors that the commissioner deems relevant to achieve the purposes of chapter 79.

(b) The rules shall provide for the following:

(1) Competition in workers' compensation insurance rates in such a way that the advantages of competition are introduced with a minimum of employer hardship during the transition period;

(2) Adequate safeguards against excessive or discriminatory rates in workers' compensation during the transition period;

(3) Encouragement of workers' compensation insurance rates which are as low as reasonably necessary, but shall make provision against inadequate rates, insolvencies and unpaid benefits;

(4) Assurances that employers are not unfairly relegated to the assigned risk pool;

(5) Requiring all appropriate data and other information from insurers for the purpose of issuing rules and making legislative recommendations pursuant to this section; and

(6) Preserving a framework for risk classification, data collection, and other appropriate joint insurer services where these will not impede the introduction of competition in premium rates.

(c) The rules shall expire on January 1, (1986) 1984.

Sec. 9. Laws 1981, chapter 346, section 145, is amended to read:

Sec. 145. [REPEALER.]

Minnesota Statutes 1980, Sections 79.071, Subdivision 1; 79.074, Subdivision 1; 79.075; 79.076; 79.08; 79.09; 79.11; 79.12; 79.13; 79.14; 79.15; 79.16; 79.17; 79.171; 79.18; 79.19; 79.20; 79.21; 79.22, Subdivision 1; 79.221; 79.23; 79.24; 79.25; 79.26; 79.27; 79.28; 79.29; 79.30; 79.31; 79.32; and 79.33 are repealed effective July 1, 1983. Minnesota Statutes 1980, Sections 79.071, Subdivisions 2, 3, 4, 5, 6, and 7; 79.072; and 79.073 are repealed effective January 1, (1986) 1984. Minnesota Statutes 1980, Sections 175.006, Subdivisions 1a and 2; 175.0061; 175.09; 176.111, Subdivision 11; and 176.441, Subdivision 2, are repealed.

Sec. 10. Minnesota Statutes 1982, section 175.006, subdivision 1, is amended to read:

Subdivision 1. [CREATION AND ORGANIZATION.] The division of workers' compensation, generally administering the workers' compensation law, is created within the department of labor and industry. (THERE IS CREATED AS A SEPARATE APPELLATE TRIBUNAL FOR WORKERS' COMPENSATION, THE WORKERS' COMPENSATION COURT OF APPEALS.)

(THE WORKERS' COMPENSATION COURT OF APPEALS SHALL BE COMPOSED OF FIVE JUDGES EACH SERVING IN THE UNCLASSIFIED SERVICE OF THE STATE CIVIL SERVICE. OF THE FIVE JUDGES, AT

LEAST THREE SHALL BE LEARNED IN THE LAW. EACH JUDGE OF THE WORKERS' COMPENSATION COURT OF APPEALS SHALL BE APPOINTED BY THE GOVERNOR, BY AND WITH THE ADVICE AND CONSENT OF THE SENATE, FOR A TERM OF SIX YEARS. THE JUDGES OF THE WORKERS' COMPENSATION COURT OF APPEALS AS NOW CREATED SHALL BE THE JUDGES OF THE WORKERS' COMPENSATION COURT OF APPEALS UNTIL THE EXPIRATION OF THE TERMS FOR WHICH THEY HAVE BEEN APPOINTED AND QUALIFIED.)

Sec. 11. Minnesota Statutes 1982, section 175.007, subdivision 1, is amended to read:

Subdivision 1. The commissioner shall appoint an advisory council on workers' compensation, which (SHALL CONSIST) *consists* of five representatives of employers and five representatives of employees and (THREE) *five nonvoting* members representing the general public. The council may consult with (THE JUDGES OF THE WORKERS' COMPENSATION COURT OF APPEALS) *any party it so desires*. The (COUNCIL SHALL EXPIRE AND THE) terms (, COMPENSATION) and removal of members shall be as provided in section 15.059. *The council is not subject to section 15.059, subdivision 5.*

Sec. 12. Minnesota Statutes 1982, section 175.08, is amended to read:

175.08 [OFFICE.]

The (WORKERS' COMPENSATION COURT OF APPEALS AND THE) department of labor and industry shall maintain (THEIR) *its main* (OFFICES) *office* within the Minneapolis-Saint Paul metropolitan area and be provided by the commissioner of administration with suitable rooms and necessary furniture. (THE OFFICES OF THE WORKERS' COMPENSATION COURT OF APPEALS AND THE DEPARTMENT OF LABOR AND INDUSTRY SHALL BE IN SEPARATE BUILDINGS. THEY) *It may hold sessions at any other place in the state when (THEIR CONVENIENCE AND THAT OF THE PARTIES INTERESTED SO REQUIRES) it is convenient.*

Sec. 13. Minnesota Statutes 1982, section 175.10, is amended to read:

175.10 [SESSIONS TO BE PUBLIC.]

The department of labor and industry shall be open for the transaction of business during all business hours of each and every day, excepting Saturdays, Sundays and legal holidays. The hearings of (THE WORKERS' COMPENSATION COURT OF APPEALS AND) the workers' compensation division shall be

open to the public and may be adjourned from time to time. All the proceedings of (THE WORKERS' COMPENSATION COURT OF APPEALS AND) the division shall be shown on their records, which shall be public records.

Sec. 14. Minnesota Statutes 1982, section 175.101, subdivision 1, is amended to read:

Subdivision 1. It is the legislative purpose in creating a division of workers' compensation, and in assigning to the commissioner of the department of labor and industry specific duties and responsibilities, to:

(a) provide for a unified department of labor and industry for the limited purposes of organization and administration of common administrative functions; *and*

(b) assure the autonomy and maximum independence of the necessary adjudicative functions and quasi-legislative administrative duties of the division (, AND;)

((C) SEPARATE AND LIMIT THE FUNCTIONS AND RESPONSIBILITIES OF THE EXISTING WORKERS' COMPENSATION COURT OF APPEALS TO THOSE APPROPRIATE TO AN INDEPENDENT APPELLATE REVIEWING BODY).

The commissioner (OF THE DEPARTMENT OF LABOR AND INDUSTRY) as head of the workers' compensation division is the administrator of the workers' compensation division. (HE) *The commissioner* shall possess only (SUCH) *the* powers and shall perform only (SUCH) *the* duties (AS ARE SPECIFICALLY) prescribed by law.

Sec. 15. Minnesota Statutes 1982, section 175.101, subdivision 2, is amended to read:

Subd. 2. The commissioner (OF THE DEPARTMENT OF LABOR AND INDUSTRY) shall keep a full and true record of all proceedings of the workers' compensation division (AND THE WORKERS' COMPENSATION COURT OF APPEALS), issue all necessary processes, writs, warrants, and notices which the division (OR WORKERS' COMPENSATION COURT OF APPEALS ARE) is required or authorized to issue and generally act as the administrator of the division of workers' compensation in the department of labor and industry. Notices and other documents required to be served or filed on the division of workers' compensation or the workers' compensation court of appeals shall be served on the commissioner (OF THE DEPARTMENT OF LABOR AND INDUSTRY).

Sec. 16. Minnesota Statutes 1982, section 176.001, is amended to read:

176.001 [INTENT OF THE LEGISLATURE.]

It is the intent of the legislature that chapter 176 be interpreted so as to assure the quick and efficient delivery of indemnity and medical benefits to injured workers at a reasonable cost to the employers who are subject to the provisions of chapter 176. *It is the specific intent of the legislature that workers' compensation cases shall be decided on their merits and that the common law rule of "liberal construction" based on the supposed "remedial" basis of workers' compensation legislation shall not apply in such cases. The workers' compensation system in Minnesota is based on a mutual renunciation of common law rights and defenses by employers and employees alike. Employees' rights to sue for damages over and above medical and health care benefits and wage loss benefits are to a certain degree limited by the provisions of this chapter, and employers' rights to raise common law defenses such as lack of negligence, contributory negligence on the part of the employee, and others, are curtailed as well. Accordingly, the legislature hereby declares that the workers' compensation laws are not remedial in any sense and are not to be given a broad liberal construction in favor of the claimant or employee on the one hand, nor are the rights and interests of the employer to be favored over those of the employee on the other hand.*

Sec. 17. Minnesota Statutes 1982, section 176.011, is amended by adding a subdivision to read:

Subd. 23. [RETRAINING.] "Retraining" means a formal course of study in a school setting which is designed to train an employee to return to suitable gainful employment.

Sec. 18. Minnesota Statutes 1982, section 176.011, is amended by adding a subdivision to read:

Subd. 24. [HEALTH CARE PROVIDER.] "Health care provider" means a physician, podiatrist, chiropractor, dentist, optometrist, osteopath, psychologist, psychiatric social worker, or any other person who furnishes a medical or health service to an employee under this chapter but does not include a qualified rehabilitation consultant or approved vendor.

Sec. 19. Minnesota Statutes 1982, section 176.011, is amended by adding a subdivision to read:

Subd. 25. [MAXIMUM MEDICAL IMPROVEMENT.] "Maximum medical improvement" means the date after which no further significant recovery from or lasting significant improvement to a personal injury can reasonably be anticipated, based upon reasonable medical probability.

Sec. 20. Minnesota Statutes 1982, section 176.011, is amended by adding a subdivision to read:

Subd. 26. [MONITORING PERIOD.] "Monitoring period" means the number of weeks during which economic recovery compensation pursuant to section 176.101, subdivision 3a, would have been paid if that compensation were payable.

Sec. 21. Minnesota Statutes 1982, section 176.012, is amended to read:

176.012 [ELECTION OF COVERAGE.]

The persons, partnerships and corporations described in this section may elect to provide the insurance coverage required by this chapter.

(a) An owner or owners of a business or farm may elect coverage for themselves.

(b) A partnership owning a business or farm may elect coverage for any partner.

(c) A family farm corporation as defined in section 500.24, subdivision 2, clause (c) may elect coverage for any executive officer.

(d) A closely held corporation which had less than 22,880 hours of payroll in the previous calendar year may elect coverage for any executive officer if that executive officer is also an owner of at least 25 percent of the stock of the corporation.

(e) *Individuals who are independent contractors as defined by rules adopted by the commissioner.*

The persons, partnerships and corporations described in this section may also elect coverage for an employee who is a spouse, parent or child, regardless of age, of an owner, partner, or executive officer, who is eligible for coverage under this section. Coverage may be elected for a spouse, parent or child whether or not coverage is elected for the related owner, partner or executive director and whether or not the person, partnership or corporation employs any other person to perform a service for hire. Any person for whom coverage is elected pursuant to this section shall be included within the meaning of the term employee for the purposes of this chapter.

Notice of election of coverage or of termination of election under this section shall be provided in writing to the insurer. Coverage or termination of coverage is effective the day following receipt of notice by the insurer or at a subsequent date if so

indicated in the notice. The insurance policy shall be endorsed to indicate the names of those persons for whom coverage has been elected or terminated under this section. An election of coverage under this section shall continue in effect as long as a policy or renewal policy of the same insurer is in effect.

Nothing in this section shall be construed to limit the responsibilities of owners, partnerships or corporations to provide coverage for their employees, if any, as required under this chapter.

Sec. 22. Minnesota Statutes 1982, section 176.021, subdivision 1a, is amended to read:

Subd. 1a. [BURDEN OF PROOF.] All disputed issues of fact arising under chapter 176 shall be determined by a preponderance of the evidence, *and in accordance with the principles laid down in section 176.001*. Preponderance of the evidence means evidence produced in substantiation of a fact which, when weighed against the evidence opposing the fact, has more convincing force and greater probability of truth.

Questions of law arising under chapter 176 shall be determined (IN ACCORDANCE WITH THE RULES OF CONSTRUCTION GENERALLY APPLIED TO ALL OTHER CIVIL MATTERS) *on an even-handed basis in accordance with the principles laid down in section 176.001*.

Sec. 23. Minnesota Statutes 1982, section 176.021, subdivision 3, is amended to read:

Subd. 3. [COMPENSATION, COMMENCEMENT OF PAYMENT.] All employers shall commence payment of compensation at the time and in the manner prescribed by this chapter without the necessity of any agreement or any order of the division. Except for medical, burial, and other non-periodic benefits, payments shall be made as nearly as possible at the intervals when the wage was payable, provided, however, that payments for permanent partial disability shall be governed by (SUBDIVISION 3A) *section 176.101*. If doubt exists as to the eventual permanent partial disability, payment *for the economic recovery compensation or impairment compensation, whichever is due*, pursuant to (SUBDIVISION 3A) *section 176.101*, shall be then made when due for the minimum permanent partial disability ascertainable, and further payment shall be made upon any later ascertainment of greater permanent partial disability. *Prior to or at the time of (ANY TENDER) commencement of the (LUMP SUM) payment of economic recovery compensation or impairment compensation*, the employee and employer shall be furnished with a copy of the medical report upon which the payment is based *and all other medical reports which the insurer has that indicate a permanent partial disability rating*, together

with a statement by the insurer as to whether the tendered payment is for minimum permanent partial disability or final and eventual disability. (COMPENSATION FOR PERMANENT PARTIAL DISABILITY) *After receipt of all reports available to the insurer that indicate a permanent partial disability rating, the employee shall make available or permit the insurer to obtain any medical report that the employee has or has knowledge of that contains a permanent partial disability rating which the insurer does not already have. Economic recovery compensation or impairment compensation pursuant to section 176.101 is payable in addition to but not concurrently with compensation for temporary total disability and temporary partial disability pursuant to section 176.101, subdivisions 1 and 2, and as provided in (SUBDIVISION 3A) section 176.101. (COMPENSATION FOR PERMANENT PARTIAL DISABILITY) Impairment compensation is payable concurrently and in addition to compensation for permanent total disability pursuant to section 176.101, subdivision 5, and as provided in (SUBDIVISION 3A) section 176.101. (COMPENSATION FOR PERMANENT PARTIAL DISABILITY) Economic recovery compensation or impairment compensation pursuant to section 176.101 shall be withheld pending completion of payment for temporary total (AND TEMPORARY PARTIAL) disability (BUT SHALL NOT BE WITHHELD PENDING PAYMENT OF COMPENSATION FOR PERMANENT TOTAL DISABILITY), and no credit shall be taken for payment of (PERMANENT PARTIAL DISABILITY) economic recovery compensation or impairment compensation against liability for temporary total or permanent total disability. Liability on the part of an employer or (HIS) the insurer for disability of a temporary total, temporary partial, and permanent total nature shall be considered as a continuing product and part of the employee's inability to earn or reduction in earning capacity due to injury or occupational disease and (SHALL BE) compensation is payable accordingly, subject to (SUBDIVISION 3A) section 176.101. (PERMANENT PARTIAL DISABILITY) Economic recovery compensation or impairment compensation is payable for functional loss of use or impairment of function, permanent in nature, and payment therefore shall be separate, distinct, and in addition to payment for any other compensation, subject to (SUBDIVISION 3A) section 176.101. The right to receive temporary total, temporary partial, (PERMANENT PARTIAL) or permanent total disability payments (SHALL VEST) vests in the injured employee or (HIS) the employee's dependents under this chapter or, if none, in (HIS) the employee's legal heirs at the time the disability can be ascertained and the right (SHALL) is not (BE) abrogated by the employee's death prior to the making of the payment.*

The right to receive economic recovery compensation or impairment compensation vests in an injured employee at the time the disability is ascertained provided that the employee lives for at least 30 days beyond the date of the injury. Upon the death of an employee who is receiving economic recovery compensation

or impairment compensation, further compensation is payable pursuant to section 176.101.

Sec. 24. Minnesota Statutes 1982, section 176.041, subdivision 1 is amended to read:

Subdivision 1. [EMPLOYMENTS EXCLUDED.] This chapter does not apply to persons employed by any common carrier by railroad engaged in interstate or foreign commerce, which persons are covered by the Federal Employers' Liability Act (45 U.S.C. 51-60) or other comparable federal law; persons employed by family farms as defined by section 176.011, subdivision 11a, the spouse, parent and child, regardless of age, of a farmer employer working for him; partners engaged in any farm operation or partners engaged in a business and the spouse, parent, and child, regardless of age, of any of the partners of the farm operation or business; an executive officer of a family farm corporation; an executive officer of a closely held corporation referred to in section 176.012; any spouse, parent, or child, regardless of age, of an executive officer of a family farm corporation as defined in section 500.24, subdivision 2, employed by that family farm corporation; any spouse, parent, or child, regardless of age, of an executive officer of a closely held corporation referred to in section 176.012; or other farmers or members of their families exchanging work with the farmer employer or family farm corporation operator in the same community, or persons whose employment at the time of the injury is casual, and not in the usual course of the trade, business, profession, or occupation of his employer; *persons who are independent contractors as defined by rules adopted by the commissioner pursuant to section 176.83*; nor does it apply to officers or members of veteran's organizations whose employment relationship arises solely by virtue of attending meetings or conventions of their organization, unless the veteran's organizations elect by resolution to provide coverage under this chapter for the officers or members. Neither shall the chapter apply to any person employed as a household worker in, for, or about, a private home or household who earns less than \$500 in cash in any three month period from a single private home or household provided that any household worker who has earned \$500 or more from his present employer in any three month period within the previous year shall be covered by this chapter regardless of whether or not he has in the present quarter earned \$500. This chapter does not apply to those persons employed by a corporation where those persons are related by blood or marriage, within the third degree of kindred according to the rules of civil law, to all of the officers of the corporation, and if the corporation files a written election with the commissioner (OF LABOR AND INDUSTRY) to have those persons excluded from this chapter *except that a written election is not required for a person who is otherwise excluded from this chapter by this section*. This chapter does not apply to a nonprofit association which does not pay more than \$500 in salary or wages in a year.

Sec. 25. Minnesota Statutes 1982, section 176.061, is amended to read:

176.061 [THIRD PARTY LIABILITY.]

Subdivision 1. [ELECTION OF REMEDIES.] Where an injury or death for which benefits are payable occurs under circumstances which create a legal liability for damages on the part of a party other than the employer and at the time of (SUCH) *the* injury or death that party was insured or self-insured in accordance with this chapter, the employee, in case of injury, or (HIS) *the employee's* dependents, in case of death, may proceed either at law against that party to recover damages or against the employer for benefits, but not against both.

Subd. 2. [ACTION FOR RECOVERY OF DAMAGES.] If the employee, in case of injury, or (HIS) *the employee's* dependents, in case of death, brings an action for the recovery of damages, the amount thereof, the manner in which, and the persons to whom the same are payable, shall be as provided in this chapter. In no case shall (SUCH) *the* party be liable to any person other than the employee or (HIS) *the employee's* dependents for any damages resulting from (SUCH) *the* injury or death.

Subd. 3. [ELECTION TO RECEIVE BENEFITS FROM EMPLOYER; SUBROGATION.] If the employee or (HIS) *the employee's* dependents elect to receive benefits from the employer, or the special compensation fund, the employer, or the special compensation fund, *has a right of indemnity* or is subrogated to the right of the employee or (HIS) *the employee's* dependents to recover damages against the other party. The employer, or the attorney general on behalf of the special compensation fund, may bring legal proceedings against (SUCH) *the* party and recover the aggregate amount of benefits payable to or on behalf of the employee or (HIS) *the employee's* dependents, together with costs, disbursements, and reasonable attorney's fees of the action.

If an action as provided in this chapter prosecuted by the employee, the employer, or the attorney general on behalf of the special compensation fund, against the third person, results in judgment against the third person, or settlement by the third person, the employer (SHALL HAVE) *has* no liability to reimburse or hold the third person harmless on the judgment or settlement in absence of a written agreement to do so executed prior to the injury.

Subd. 4. [APPLICATION OF SUBDIVISIONS 1, 2, AND 3.] The provisions of subdivisions 1, 2, and 3 apply only where

the employer liable for benefits and the other party legally liable for damages are insured or self-insured and engaged, in the due course of business in, (a) furtherance of a common enterprise, or (b) in the accomplishment of the same or related purposes in operations on the premises where the injury was received at the time (THEREOF) of the injury.

Subd. 5. [CUMULATIVE REMEDIES.] Where an injury or death for which benefits are payable is caused under circumstances which created a legal liability for damages on the part of a party other than the employer, that party being then insured or self-insured in accordance with this chapter, and the provisions of subdivisions 1, 2, 3, and 4 do not apply, or the party other than the employer is not then insured or self-insured as provided by this chapter, legal proceedings may be taken by the employee or (HIS) *the employee's* dependents in accordance with clause (a), or by his employer, or by the attorney general on behalf of the special compensation fund, in accordance with clause (b), against the other party to recover damages, notwithstanding the payment by the employer, or the special compensation fund or their liability to pay benefits.

(a) If an action against the other party is brought by the injured employee or (HIS) *the employee's* dependents and a judgment is obtained and paid or settlement is made with the other party, the employer or the special compensation fund may deduct from the benefits payable the amount actually received by the employee or dependents or paid on their behalf in accordance with subdivision 6. If the action is not diligently prosecuted or if the court deems it advisable in order to protect the interests of the employer, or the special compensation fund, upon application the court may grant the employer, or the special compensation fund, the right to intervene in (ANY SUCH) *the* action for the prosecution (THEREOF) of the action. If the injured employee or (HIS) *the employee's* dependents or any party on their behalf receives benefits from the employer, or the special compensation fund, or institute proceedings to recover (THE SAME) *benefits* or accept from the employer, or the special compensation fund, any payment on account of the benefits, the employer, or the special compensation fund, is subrogated to the rights of the employee or (HIS) *the employee's* dependents or has a right of indemnity against a third party. This employer, or the attorney general on behalf of the special compensation fund, may maintain (AN) *a separate* action or continue an action already instituted. This action may be maintained in the name of the employee or the names of the *employee's* dependents, or in the name of the employer or in the name of the attorney general on behalf of the special compensation fund against (SUCH) *the* other party for the recovery of damages. If the action is not diligently prosecuted by the employer, or the attorney general on behalf of the special compensation fund, or the court deems it advisable in order to protect the interest of the employee, the court, upon application, may

grant to the employee or (HIS) *the employee's dependents* the right to intervene in the action for the prosecution (THEREOF) *of the action*. The proceeds of (SUCH) *the action or settlement (THEREOF) of the action* shall be paid in accordance with subdivision 6.

(b) If an employer, being then insured, sustains damages due to a change in workers' compensation insurance premiums, whether by a failure to achieve a decrease or by a retroactive or prospective increase, as a result of the injury or death of (HIS) *an employee* which was caused under circumstances which created a legal liability for damages on the part of a party other than the employer, the employer, notwithstanding other remedies provided, may maintain an action against the other party for recovery of (SUCH) *the premiums*. This cause of action may be brought either by joining in an action described in clause (a) or by a separate action. Damages recovered under this clause (SHALL BE) *are* for the benefit of the employer and the provisions of subdivision 6 (SHALL) *are not (BE)* applicable to (SUCH) *the damages*.

(c) The third party is not liable to any person other than the employee or (HIS) *the employee's dependents*, or (HIS) *the employer*, or the special compensation fund, for any damages resulting from the injury or death.

A co-employee working for the same employer is not liable for a personal injury incurred by another employee unless the injury resulted from the gross negligence of the co-employee or was intentionally inflicted by the co-employee.

Subd. 6. [COSTS, ATTORNEY FEES, EXPENSES.] The proceeds of all actions for damages or settlement (THEREOF) *of an action* under this section, except for damages received under subdivision 5, clause (b) received by the injured employee or (HIS) *the employee's dependents* or by the employer, or the special compensation fund, as provided by subdivision 5, shall be divided as follows:

(a) After deducting the reasonable cost of collection, including but not limited to attorneys fees and burial expense in excess of the statutory liability, then

(b) One-third of the remainder shall in any event be paid to the injured employee or (HIS) *the employee's dependents*, without being subject to any right of subrogation.

(c) Out of the balance remaining, the employer, or the special compensation fund, shall be reimbursed in an amount equal to all benefits paid under this chapter to or on behalf of the employee or (HIS) *the employee's dependents* by the employer, or special compensation fund, less the product of the

costs deducted under clause (a) divided by the total proceeds received by the employee or his dependents from the other party multiplied by all benefits paid by the employer, or the special compensation fund, to the employee or (HIS) *the employee's* dependents.

(d) Any balance remaining shall be paid to the employee or (HIS) *the employee's* dependents, and shall be a credit to employer, and the special compensation fund, for any benefits which employer is obligated to pay, but has not paid, and for any benefits that (SUCH) *the* employer (SHALL BE) *is* obligated to make in the future.

There shall be no reimbursement or credit to the employer, or the special compensation fund, for interest or penalties.

Subd. 7. [MEDICAL TREATMENT.] The liability of an employer, or the special compensation fund, for medical treatment or payment of any other compensation under this chapter (SHALL) *is* not (BE) affected by the fact that (HIS) *the* employee was injured through the fault or negligence of a third party, against whom the employee may have a cause of action which may be sued under this chapter, but the employer, or the attorney general on behalf of the special compensation fund, (SHALL HAVE) *has* a separate additional cause of action against (SUCH) *the* third party to recover any amounts paid for medical treatment or for other compensation payable under this section resulting from the negligence of (SUCH) *the* third party. This separate cause of action of the employer, or the attorney general on behalf of the special compensation fund, may be asserted in a separate action brought by the employer, or the attorney general on behalf of the special compensation fund, against (SUCH) *the* third party or in the action commenced by the employee or the employer, or the attorney general on behalf of the special compensation fund, under this chapter, but in the latter case the cause of action shall be separately stated, the amount awarded thereon shall be separately set out in the verdict, and the amount recovered by suit or otherwise as reimbursement for medical expenses or other compensation shall be for the benefit of the employer, or the special compensation fund, to the extent that the employer, or the special compensation fund, has paid or will be required to pay compensation or for medical treatment of the injured employee and (SHALL) *does* not affect the amount of periodic compensation to be paid.

(SUBD. 8. [STATE AS EMPLOYER.] IN EVERY CASE ARISING UNDER SUBDIVISION 5 WHEN THE STATE IS THE EMPLOYER AND A SETTLEMENT BETWEEN THE THIRD PARTY AND THE EMPLOYEE IS MADE IT IS NOT VALID UNLESS PRIOR NOTICE THEREOF IS GIVEN TO THE STATE WITHIN A REASONABLE TIME. IF THE STATE PAYS COMPENSATION TO THE EMPLOYEE UN-

DER THE PROVISIONS OF THIS CHAPTER AND BECOMES SUBROGATED TO THE RIGHTS OF THE EMPLOYEE OR HIS DEPENDENTS ANY SETTLEMENT BETWEEN THE EMPLOYEE OR HIS DEPENDENTS AND THE THIRD PARTY IS VOID AS AGAINST THE STATE'S RIGHT OF SUBROGATION. WHEN AN ACTION AT LAW IS INSTITUTED BY AN EMPLOYEE OR HIS DEPENDENTS AGAINST A THIRD PARTY FOR RECOVERY OF DAMAGES A COPY OF THE COMPLAINT AND NOTICE OF TRIAL OR NOTE OF ISSUE IN SUCH ACTION SHALL BE SERVED ON THE STATE. ANY JUDGMENT RENDERED THEREIN IS SUBJECT TO A LIEN OF THE STATE FOR THE AMOUNT TO WHICH IT IS ENTITLED TO BE SUBROGATED UNDER THE PROVISIONS OF SUBDIVISION 5.)

Subd. 8a. [NOTICE TO EMPLOYER.] In every case arising under subdivision 5, a settlement between the third party and the employee is not valid unless prior notice of the intention to settle is given to the employer within a reasonable time. If the employer or insurer pays compensation to the employee under the provisions of this chapter and becomes subrogated to the right of the employee or the employee's dependents or has a right of indemnity, any settlement between the employee or the employee's dependents and the third party is void as against the employer's right of subrogation or indemnity unless prior notice was given. When an action at law is instituted by an employee or the employee's dependents against a third party for recovery of damages, a copy of the complaint and notice of trial or note of issue in the action shall be served on the employer or insurer. Any judgment rendered in the action is subject to a lien of the employer for the amount to which it is entitled to be subrogated or indemnified under the provisions of subdivision 5.

Subd. 9. [SERVICE OF NOTICE ON ATTORNEY GENERAL.] In every case in which the state is liable to pay compensation or is subrogated to the rights of the employee or (HIS) the employee's dependents or has a right of indemnity, all notices required to be given the state shall be served on the attorney general and the commissioner (OF THE DEPARTMENT OF LABOR AND INDUSTRY).

Subd. 10. [INDEMNITY.] Notwithstanding the provisions of chapter 65B or any other law to the contrary, an employer has a right of indemnity for any compensation paid or payable pursuant to this chapter, including temporary total compensation, temporary partial compensation, permanent partial disability economic recovery compensation, impairment compensation, medical compensation, rehabilitation, death, and permanent total compensation.

Sec. 26. Minnesota Statutes 1982, section 176.101, subdivision 2, is amended to read:

Subd. 2. [TEMPORARY PARTIAL DISABILITY.] In all cases of temporary partial disability the compensation shall be $66 \frac{2}{3}$ percent of the difference between the (DAILY) *weekly* wage of the (WORKER) *employee* at the time of injury and the wage (HE) *the employee* is able to earn in (HIS) *the employee's* partially disabled condition. This compensation shall be paid during the period of disability *except as provided in section 176.101*, payment to be made at the intervals when the wage was payable, as nearly as may be, and subject to a maximum compensation equal to the statewide average weekly wage. (IF THE EMPLOYER DOES NOT FURNISH THE WORKER WITH WORK WHICH HE CAN DO IN HIS TEMPORARY PARTIALLY DISABLED CONDITION AND HE IS UNABLE TO PROCURE SUCH WORK WITH ANOTHER EMPLOYER, AFTER REASONABLY DILIGENT EFFORTS, THE EMPLOYEE SHALL BE PAID AT THE FULL COMPENSATION RATE FOR HIS OR HER TEMPORARY TOTAL DISABILITY.)

Sec. 27. Minnesota Statutes 1982, section 176.101, subdivision 3, is amended to read:

Subd. 3. [PERMANENT PARTIAL DISABILITY.] For permanent partial disability compensation shall be that named in the following schedule (, SUBJECT TO A MAXIMUM COMPENSATION EQUAL TO THE STATEWIDE WEEKLY WAGE):

(1) For the loss of a thumb, ($66 \frac{2}{3}$ PERCENT OF THE DAILY WAGE AT THE TIME OF INJURY DURING 65 WEEKS) *13 percent of the whole body;*

(2) For the loss of a first finger, commonly called index finger, ($66 \frac{2}{3}$ PERCENT OF THE DAILY WAGE AT THE TIME OF INJURY DURING 40 WEEKS) *eight percent of the whole body;*

(3) For the loss of a second finger, ($66 \frac{2}{3}$ PERCENT OF THE DAILY WAGE AT THE TIME OF INJURY DURING 35 WEEKS) *seven percent of the whole body;*

(4) For the loss of a third finger, ($66 \frac{2}{3}$ PERCENT OF THE DAILY WAGE AT THE TIME OF INJURY DURING 25 WEEKS) *five percent of the whole body;*

(5) For the loss of a fourth finger, commonly called the little finger, ($66 \frac{2}{3}$ PERCENT OF THE DAILY WAGE AT THE TIME OF INJURY DURING 20 WEEKS) *four percent of the whole body;*

(6) (THE LOSS OF THE FIRST PHALANGE OF THE THUMB OR OF ANY FINGER, IS CONSIDERED EQUAL

TO THE LOSS OF ONE-HALF OF THE THUMB OR FINGER AND COMPENSATION SHALL BE PAID AT THE PRESCRIBED RATE DURING ONE-HALF THE TIME SPECIFIED FOR THE LOSS OF THE THUMB OR FINGER;)

((7) THE LOSS OF ONE AND ONE-HALF OR MORE PHALANGES IS CONSIDERED EQUAL TO THE LOSS OF THE ENTIRE FINGER OR THUMB, BUT IN NO CASE SHALL THE AMOUNT RECEIVED FOR MORE THAN ONE FINGER EXCEED THE AMOUNT PROVIDED IN THIS SCHEDULE FOR THE LOSS OF A HAND;)

((8) For the loss of a great toe, (66 $\frac{2}{3}$ PERCENT OF THE DAILY WAGE AT THE TIME OF INJURY DURING 35 WEEKS) *seven percent of the whole body;*

((9) (7) For the loss of a toe other than a great toe, (66 $\frac{2}{3}$ PERCENT OF THE DAILY WAGE AT THE TIME OF INJURY DURING 15 WEEKS) *three percent of the whole body;*

((10) THE LOSS OF THE FIRST PHALANGE OF ANY TOE IS CONSIDERED EQUAL TO THE LOSS OF ONE-HALF OF THE TOE, AND COMPENSATION SHALL BE PAID AT THE PRESCRIBED RATE DURING ONE-HALF THE TIME SPECIFIED FOR THE LOSS OF THE TOE;)

((11) THE LOSS OF ONE AND ONE-HALF OR MORE PHALANGES IS CONSIDERED EQUAL TO THE LOSS OF THE ENTIRE TOE;)

((12)) (8) For the loss of a hand, not including the wrist movement, (66 $\frac{2}{3}$ PERCENT OF THE DAILY WAGE AT THE TIME OF INJURY DURING 195 WEEKS) *40 percent of the whole body;*

((13)) (9) For the loss of a hand, including wrist movement, (66 $\frac{2}{3}$ PERCENT OF THE DAILY WAGE AT THE TIME OF INJURY DURING 220 WEEKS) *44 percent of the whole body;*

((14)) (10) For the loss of an arm, (66 $\frac{2}{3}$ PERCENT OF THE DAILY WAGE AT THE TIME OF INJURY DURING 270 WEEKS) *54 percent of the whole body;*

((15) AMPUTATION OF THE ARM BELOW THE ELBOW IS CONSIDERED THE LOSS OF A HAND, INCLUDING WRIST MOVEMENT, IF ENOUGH OF THE FOREARM REMAINS TO PERMIT THE USE OF AN EFFECTIVE ARTIFICIAL MEMBER. OTHERWISE IT IS CONSIDERED THE LOSS OF AN ARM;)

((16)) (11) For the loss of a foot, not including ankle movement, (66 $\frac{2}{3}$ PERCENT OF THE DAILY WAGE AT THE TIME OF INJURY DURING 140 WEEKS) *28 percent of the whole body;*

((17)) (12) For the loss of a foot, including ankle movement, (66 $\frac{2}{3}$ PERCENT OF THE DAILY WAGE AT THE TIME OF INJURY DURING 165 WEEKS) *33 percent of the whole body;*

((18)) (13) For the loss of a leg, if enough of the leg remains to permit the use of an effective artificial member, (66 $\frac{2}{3}$ PERCENT OF THE DAILY WAGE AT THE TIME OF INJURY DURING 195 WEEKS) *40 percent of the whole body;*

((19)) (14) For the loss of a leg so close to the hip that no effective artificial member can be used, (66 $\frac{2}{3}$ PERCENT OF THE DAILY WAGE AT THE TIME OF INJURY DURING 220 WEEKS) *44 percent of the whole body;*

((20) AMPUTATION OF A LEG BELOW THE KNEE IS CONSIDERED AS EQUAL TO THE LOSS OF A FOOT, INCLUDING ANKLE MOVEMENT, IF ENOUGH OF THE LOWER LEG REMAINS TO PERMIT THE USE OF AN EFFECTIVE ARTIFICIAL MEMBER, OTHERWISE IT IS CONSIDERED AS EQUAL TO THE LOSS OF A LEG;)

((21)) (15) For the loss of an eye, (66 $\frac{2}{3}$ PERCENT OF THE DAILY WAGE AT THE TIME OF INJURY DURING 160 WEEKS) *32 percent of the whole body;*

((22)) (16) For the complete permanent loss of hearing in one ear, (66 $\frac{2}{3}$ PERCENT OF THE DAILY WAGE AT THE TIME OF INJURY DURING 85 WEEKS) *17 percent of the whole body;*

((23)) (17) For the complete permanent loss of hearing in both ears, (66 $\frac{2}{3}$ PERCENT OF THE DAILY WAGE AT THE TIME OF INJURY DURING 170 WEEKS) *34 percent of the whole body;*

((24)) (18) For the loss of an eye and a leg, (66 $\frac{2}{3}$ PERCENT OF THE DAILY WAGE AT THE TIME OF INJURY DURING 475 WEEKS) *95 percent of the whole body;*

((25)) (19) For the loss of an eye and an arm, (66 $\frac{2}{3}$ PERCENT OF THE DAILY WAGE AT THE TIME OF INJURY DURING 475 WEEKS) *95 percent of the whole body;*

((26)) (20) For the loss of an eye and a hand, (66 $\frac{2}{3}$ PERCENT OF THE DAILY WAGE AT THE TIME OF INJURY DURING 450 WEEKS) *90 percent of the whole body;*

((27)) (21) For the loss of an eye and a foot, (66 2/3 PERCENT OF THE DAILY WAGE AT THE TIME OF INJURY DURING 400 WEEKS) *80 percent of the whole body;*

((28)) (22) For the loss of two arms. (OTHER THAN AT THE SHOULDER, 66 2/3 PERCENT OF THE DAILY WAGE AT THE TIME OF INJURY DURING 500 WEEKS) *100 percent of the whole body;*

((29)) (23) For the loss of two hands, (66 2/3 PERCENT OF THE DAILY WAGE AT THE TIME OF INJURY DURING 500 WEEKS) *100 percent of the whole body;*

((30)) (24) For the loss of two legs, (OTHER THAN SO CLOSE TO THE HIPS THAT NO EFFECTIVE ARTIFICIAL MEMBER CAN BE USED, 66 2/3 PERCENT OF THE DAILY WAGE AT THE TIME OF INJURY DURING 500 WEEKS) *100 percent of the whole body;*

((31)) (25) For the loss of two feet, (66 2/3 PERCENT OF THE DAILY WAGE AT THE TIME OF INJURY DURING 500 WEEKS) *100 percent of the whole body;*

((32)) (26) For the loss of one arm and the other hand, (66 2/3 PERCENT OF THE DAILY WAGE AT THE TIME OF INJURY DURING 500 WEEKS) *100 percent of the whole body;*

((33)) (27) For the loss of one hand and one foot, (66 2/3 PERCENT OF THE DAILY WAGE AT THE TIME OF INJURY DURING 500 WEEKS) *100 percent of the whole body;*

((34)) (28) For the loss of one leg and the other foot, (66 2/3 PERCENT OF THE DAILY WAGE AT THE TIME OF INJURY DURING 500 WEEKS) *100 percent of the whole body;*

((35)) (29) For the loss of one leg and one hand, (66 2/3 PERCENT OF THE DAILY WAGE AT THE TIME OF INJURY DURING 500 WEEKS) *100 percent of the whole body;*

((36)) (30) For the loss of one arm and one foot, (66 2/3 PERCENT OF THE DAILY WAGE AT THE TIME OF INJURY DURING 500 WEEKS) *100 percent of the whole body;*

((37)) (31) For the loss of one arm and one leg (66 2/3 PERCENT OF THE DAILY WAGE AT THE TIME OF INJURY DURING 500 WEEKS) *100 percent of the whole body;*

((38)) (32) For the loss of the voice mechanism, (66 2/3 PERCENT OF THE DAILY WAGE AT THE TIME OF INJURY DURING 500 WEEKS) *100 percent of the whole body;*

((39)) (33) For head injuries, 66 2/3 percent of the daily wage at the time of injury for that proportion of (500 WEEKS)

100 percent which is represented by its percentage of the permanent partial disability to the entire body (AS IS DETERMINED FROM COMPETENT TESTIMONY AT A HEARING BEFORE A COMPENSATION JUDGE OR AS DETERMINED BY THE WORKERS' COMPENSATION COURT OF APPEALS IN CASES ON APPEAL);

((40)) (34) For permanent partial disability resulting from injury to any internal organ until such time as the commissioner of labor and industry shall promulgate a schedule of internal organs and thereafter for internal organs covered by the schedule of internal organs established by the commissioner, 66 2/3 percent of the daily wage at time of injury for that proportion of (500 WEEKS, NOT TO EXCEED 500 WEEKS) 100 percent, as determined by the commissioner (, WHICH IS THE PROPORTIONATE AMOUNT OF PERMANENT PARTIAL DISABILITY CAUSED TO THE ENTIRE BODY BY THE INJURY AS IS DETERMINED FROM COMPETENT TESTIMONY AT A HEARING BEFORE A COMPENSATION JUDGE OR THE WORKERS' COMPENSATION COURT OF APPEALS);

((41)) (35) For disfigurement or scarring not resulting from the loss of a member or other injury specifically compensated, affecting the employability or advancement opportunity of the injured person in the employment in which he was injured or other employment for which the employee is then qualified or for which the employee has become qualified, (66 2/3 PERCENT OF THE DAILY WAGE AT THE TIME OF INJURY DURING THE PERIOD THE PARTIES AGREE TO OR THE COMPENSATION JUDGE OR THE WORKERS' COMPENSATION COURT OF APPEALS IN CASES ON APPEAL DETERMINES, NOT EXCEEDING 90 WEEKS) 18 percent of the whole body;

((42)) (36) For permanent partial disability resulting from injury to the back, (66 2/3 PERCENT OF THE DAILY WAGE AT THE TIME OF INJURY FOR THAT PROPORTION OF 350 WEEKS WHICH IS REPRESENTED BY THE PERCENTAGE OF THE PERMANENT PARTIAL DISABILITY AS IS DETERMINED FROM COMPETENT TESTIMONY AT A HEARING BEFORE A COMPENSATION JUDGE, THE COMMISSIONER, OR THE WORKERS' COMPENSATION COURT OF APPEALS) 70 percent of the whole body;

((43)) (37) When an employee sustains concurrent injuries resulting in concurrent disabilities he shall receive compensation only for the injury which entitled him to the largest amount of compensation, but this does not affect liability for disfigurement affecting the employability of the injured person or liability for the concurrent loss of more than one member, for which members compensations are provided in the specific schedule and in subdivision 5;

((44) IN ALL CASES OF PERMANENT PARTIAL DISABILITY IT IS CONSIDERED THAT THE PERMANENT LOSS OF THE USE OF A MEMBER IS EQUIVALENT TO AND DRAWS THE SAME COMPENSATION AS THE LOSS OF THAT MEMBER, BUT THE COMPENSATION IN AND BY THIS SCHEDULE PROVIDED SHALL BE IN LIEU OF ALL OTHER COMPENSATION IN THESE CASES, EXCEPT AS OTHERWISE PROVIDED BY THIS SECTION;)

(IN THE EVENT A WORKER HAS BEEN AWARDED OR IS ENTITLED TO RECEIVE COMPENSATION FOR LOSS OF USE OF A MEMBER UNDER ANY WORKERS' COMPENSATION LAW, AND THEREAFTER SUSTAINS LOSS OF THE MEMBER UNDER CIRCUMSTANCES ENTITLING HIM TO COMPENSATION THEREFOR UNDER THIS SUBDIVISION, THE AMOUNT OF COMPENSATION AWARDED, OR THAT HE IS ENTITLED TO RECEIVE, FOR THE LOSS OF USE, IS TO BE DEDUCTED FROM THE COMPENSATION DUE UNDER THE SCHEDULES OF THIS SECTION FOR THE LOSS OF THE MEMBER, PROVIDED, THAT THE AMOUNT OF COMPENSATION DUE FOR THE LOSS OF THE MEMBER CAUSED BY THE SUBSEQUENT ACCIDENT IS IN NO CASE LESS THAN 25 PERCENT OF THE COMPENSATION PAYABLE UNDER THE SCHEDULE OF THIS SECTION FOR THE LOSS OF THE MEMBER;)

((45)) (38) In cases of permanent partial disability due to injury to a member, resulting in less than total loss of the member, not otherwise compensated in this schedule, compensation shall be paid at the prescribed rate during that part of the time specified in the schedule for the total loss of the member which the extent of the injury to the member bears to its total loss as *determined by rules adopted by the commissioner;*

((46) IN CASES OF PERMANENT PARTIAL DISABILITY CAUSED BY SIMULTANEOUS INJURY TO TWO OR MORE MEMBERS, THE APPLICABLE SCHEDULES IN THIS SUBDIVISION SHALL BE INCREASED BY 15 PERCENT. THIS CLAUSE SHALL NOT APPLY WHEN THE INJURIES ARE COMPENSATED UNDER PARAGRAPHS 22 TO 37 INCLUSIVE, OF THIS SUBDIVISION. IN CASES OF PARTIAL DISABILITY DUE TO INJURY TO BOTH EYES RESULTING IN LESS THAN TOTAL LOSS OF VISION IN ONE OR BOTH EYES COMPENSATION SHALL BE PAID AT THE PRESCRIBED RATE DURING THAT PART OF 450 WEEKS WHICH THE EXTENT OF THE COMBINED INJURY TO BOTH EYES BEARS TO THE COMPLETE LOSS OF INDUSTRIAL VISION;)

((47) THE COMMISSIONER MAY MAKE OR REVISE RULES FOR THE DETERMINATION OF THE EXTENT OF THE IMPAIRMENT OF THE INDUSTRIAL USE OF ONE

OR BOTH EYES TAKING INTO ACCOUNT ALL PRIMARY COORDINATE FACTORS OF VISION. THESE RULES SHALL BE MADE OR REVISED AFTER CONSULTATION WITH EXPERTS ON INDUSTRIAL VISION AND AFTER PUBLIC NOTICE TO AND HEARING OF INTERESTED PARTIES);

((48)) (39) For permanent partial disability resulting from injury to the body as a whole due to burns, 66 2/3 percent of the daily wage at the time of injury, for that proportion of (350 WEEKS) 70 percent which is represented by the percentage of the permanent partial disability as is determined from competent testimony at a hearing before a compensation judge or as determined by the workers' compensation court of appeals in cases on appeal, the compensation to be paid in addition to the compensation as employee would otherwise be entitled to for loss of use of a member in accordance with this section (;

((49) IN ALL CASES OF PERMANENT PARTIAL DISABILITY NOT ENUMERATED IN THIS SCHEDULE THE COMPENSATION SHALL BE 66 2/3 PERCENT OF THE DIFFERENCE BETWEEN THE DAILY WAGE OF THE WORKER AT THE TIME OF THE INJURY AND THE DAILY WAGE HE IS ABLE TO EARN IN HIS PARTIALLY DISABLED CONDITION, SUBJECT TO A MAXIMUM EQUAL TO THE STATEWIDE AVERAGE WEEKLY WAGE, AND CONTINUE DURING DISABILITY, NOT TO EXCEED 350 WEEKS; AND IF THE EMPLOYER DOES NOT FURNISH THE WORKER WITH WORK WHICH HE CAN DO IN HIS PERMANENTLY PARTIALLY DISABLED CONDITION AND HE IS UNABLE TO SECURE SUCH WORK WITH ANOTHER EMPLOYER AFTER A REASONABLY DILLIGENT EFFORT, THE EMPLOYEE SHALL BE PAID AT HIS OR HER MAXIMUM RATE OF COMPENSATION FOR TOTAL DISABILITY).

Sec. 28. Minnesota Statutes 1982, section 176.101, is amended by adding a subdivision to read:

Subd. 3a. [ECONOMIC RECOVERY COMPENSATION.] If an employee is not eligible for an impairment award pursuant to subdivision 3b, then the employee shall receive economic recovery compensation for a permanent partial disability pursuant to this subdivision. The compensation shall be 66 2/3 percent of the weekly wage at the time of injury subject to a maximum equal to the statewide average weekly wage. For permanent partial disability up to the percent of the whole body in the following schedule the compensation shall be paid for the proportion that the loss of function of the disabled part bears to the whole body multiplied by the number of weeks aligned with that percent.

<i>Percent of disability</i>	<i>Weeks of Compensation</i>
0-40	500
41-50	600
51-60	700
61-75	800
76-100	1200

The percentage loss in all cases under this subdivision is determined according to the rules adopted by the commissioner pursuant to section 176.105, subdivision 4. This subdivision shall apply to a permanent partial disability incurred on or after the adoption of those rules.

Sec. 29. Minnesota Statutes 1982, section 176.101, is amended by adding a subdivision to read:

Subd. 3b. [IMPAIRMENT COMPENSATION.] An employee who suffers a permanent partial disability due to a personal injury and receives impairment compensation under this section shall receive compensation in an amount as provided by this subdivision. For permanent partial disability up to the percent of the whole body shown in the following schedule the amount shall be equal to the proportion that the loss of function of the disabled part bears to the whole body multiplied by the amount aligned with that percent in the following schedule:

<i>Percent of disability</i>	<i>Amount</i>
0-40	50,000
41-50	75,000
51-60	100,000
61-75	150,000
76-100	240,000

For all cases under this subdivision the percentage loss of function of a part of the body is determined by the commissioner pursuant to section 176.105, subdivision 4. This subdivision shall apply to a permanent partial disability incurred on or after the adoption of those rules.

Sec. 30. Minnesota Statutes 1982, section 176.101, is amended by adding a subdivision to read:

Subd. 3c. [MAXIMUM PAYABLE.] The maximum amount payable under subdivisions 3a and 3b is the maximum compensation payable to an employee who has a disability to the body as a whole and under no conditions shall an employee receive more than those amounts even if the employee sustains a disability to two or more body parts.

Sec. 31. Minnesota Statutes 1982, section 176.101, is amended by adding a subdivision to read:

Subd. 3d. [GENERAL.] An employee who has incurred a personal injury shall receive temporary total compensation until these benefits are no longer payable pursuant to this section. If the injury results in a permanent partial disability, the employee shall receive compensation as provided in this section.

Sec. 32. Minnesota Statutes 1982, section 176.101, is amended by adding a subdivision to read:

Subd. 3e. [END OF TEMPORARY TOTAL COMPENSATION.] (a) 90 days after an employee has reached maximum medical improvement or 90 days after the end of an approved retraining program, whichever is later, the employee's temporary total compensation shall cease. This cessation shall occur at an earlier date if otherwise provided by this section. If prior to the termination of this 90-day period the employee retires or the employer furnishes work to the employee that the employee can do in his or her physical condition or the employer procures this employment with another employer or the employee accepts this job with another employer, temporary total compensation shall cease. If the injury resulted in permanent partial disability, the employee shall receive impairment compensation pursuant to subdivision 3b. This impairment compensation is in lieu of economic recovery compensation under subdivision 3a, and the employee shall not receive both economic recovery compensation and impairment compensation for the same disability. Temporary total compensation and impairment compensation shall not be paid concurrently. Once temporary total compensation ceases no further temporary total compensation is payable except as specifically provided in this section.

(b) If the job offered under clause (a) is not the job the employee had at the time of injury it shall state any information necessary to fully and completely inform the employee of the job duties and responsibilities and shall agree to pay temporary partial compensation if appropriate.

The employee has 14 calendar days to accept or reject the job offer. If the employee does not respond within this period it is deemed a refusal of the offer.

(c) Self employment may be an appropriate job under this subdivision.

The commissioner shall monitor application of this subdivision and may adopt rules to assure its proper application.

Sec. 33. Minnesota Statutes 1982, section 176.101, is amended by adding a subdivision to read:

Subd. 3f. [ACCEPTANCE OF JOB OFFER.] If the employee accepts a job offer described in subdivision 3e and begins work at that job, the impairment compensation shall be paid in a lump sum 30 calendar days after the return to work.

Sec. 34. Minnesota Statutes 1982, section 176.101, is amended by adding a subdivision to read:

Subd. 3g. [TEMPORARY PARTIAL COMPENSATION.] An employee who accepts a job under subdivision 3e and begins that job shall receive temporary partial compensation pursuant to subdivision 2, if appropriate.

Sec. 35. Minnesota Statutes 1982, section 176.101, is amended by adding a subdivision to read:

Subd. 3h. [LAYOFF BECAUSE OF LACK OF WORK OR RELEASED FOR OTHER THAN SEASONAL CONDITIONS.] (a) If an employee accepts a job under subdivision 3e and begins work at that job and is subsequently unemployed because of economic conditions, other than seasonal conditions, the employee shall receive monitoring period compensation pursuant to clause (b). In addition, the employer who was the employer at the time of the injury shall provide rehabilitation consultation if the employee remains unemployed for 45 calendar days. The commissioner may waive this rehabilitation consultation if the commissioner deems it appropriate. Further rehabilitation, if deemed appropriate, is governed by section 176.102.

(b) Upon the employee's initial return to work the monitoring period begins to run. If the employee is unemployed for the reason in clause (a), prior to the end of the monitoring period the employee shall receive monitoring period compensation. This compensation shall be paid for the lesser of (1) the weeks remaining the monitoring period, or (2) the weeks equal to the monitoring period minus the impairment compensation paid to the employee. For purposes of this clause the impairment compensation shall be converted to weeks by dividing the impairment compensation received by the employee by the employee's compensation rate for temporary total disability at the time of the injury. No monitoring period compensation is payable if the unemployment occurs after the expiration of the monitoring period. Monitoring period compensation is payable at the same intervals and amount as temporary total compensation was paid.

(c) If the employee returns to work and is still receiving monitoring period compensation, this compensation shall cease.

Any period remaining in the monitoring period upon this return to work shall be used to determine further benefits if the employee is again unemployed under clause (a).

(d) Upon the employee's return to work pursuant to this section the employer shall notify the employee of the length of the employee's monitoring period and shall notify the employee of the amount of impairment to be paid and the date of payment.

Sec. 36. Minnesota Statutes 1982, section 176.101, is amended by adding a subdivision to read:

Subd. 3i. [MEDICALLY UNABLE TO CONTINUE WORK.] (a) If the employee has started the job offered under subdivision 3e and is medically unable to continue at that job, that employee shall receive compensation pursuant to clause (b). In addition, the employer who was the employer at the time of the injury shall provide rehabilitation consultation. Further rehabilitation, if deemed appropriate, is governed by section 176.102.

(b) Compensation shall be paid for up to 90 days after the employee has reached maximum medical improvement or 90 days after the end of an approved retraining plan or 90 days after the employee has ceased work because of medical inability to continue, whichever is later. The temporary total compensation shall cease at any time within the 90-day period that the employee begins work meeting the requirements of subdivision 3e. If no such job is offered to the employee by the end of this 90-day period, the employee shall receive economic recovery compensation pursuant to this section except that this economic recovery compensation shall be reduced by the impairment compensation previously received by the employee for the same disability.

Sec. 37. Minnesota Statutes 1982, section 176.101 is amended by adding a subdivision to read:

Subd. 3j. [UNEMPLOYMENT DUE TO SEASONAL CONDITION.] If an employee has started the job offered under subdivision 3e and is subsequently unemployed from that job because of the job's seasonal nature, the employees shall receive any unemployment compensation the employee is eligible for pursuant to chapter 268. The employee shall receive, in addition and concurrently, the amount that the employee was receiving for temporary partial disability at the time of the layoff. No further or additional compensation is payable under this chapter because of the seasonal layoff.

Sec. 38. Minnesota Statutes 1982 section 176.101, is amended by adding a subdivision to read:

Subd. 3k. [FAILURE TO ACCEPT JOB OFFER.] If the employee has been offered a job under subdivision 3e and has refused the offer for reasons other than the employee is in an approved retraining program, the impairment compensation shall not be paid in a lump sum but shall be paid in the same interval and amount that temporary total compensation was paid. Temporary total compensation shall cease upon the employee's refusal to accept the job offered and no further or additional temporary total compensation is payable. The payment of the periodic impairment compensation shall cease when the amount the employee is eligible to receive under subdivision 3b is reached, after which time the employee shall not receive additional impairment compensation or any other compensation under this chapter unless the employee has a greater permanent partial disability than already compensated for.

Sec. 39. Minnesota Statutes 1982, section 176.101, is amended by adding a subdivision to read:

Subd. 3i. [RETURN TO WORK AFTER REFUSAL OF JOB OFFER.] If the employee has refused the job offer under subdivision 3e and is receiving periodic impairment compensation and returns to work at another job, the employee shall receive the remaining impairment compensation due, in a lump sum, 30 days after return to work.

Sec. 40. Minnesota Statutes 1982, section 176.101, is amended by adding a subdivision to read:

Subd. 3m. [NO TEMPORARY PARTIAL COMPENSATION OR REHABILITATION IF JOB OFFER REFUSED.] An employee who has been offered a job under subdivision 3 and who has refused the offer and who subsequently returns to work shall not receive temporary partial compensation pursuant to subdivision 2 if the job the employee returns to provides a wage less than the wage at the time of the injury. No rehabilitation shall be provided to this employee.

Sec. 41. Minnesota Statutes 1982, section 176.101, is amended by adding a subdivision to read:

Subd. 3n. [INABILITY TO RETURN TO WORK.] (a) An employee who is permanently totally disabled pursuant to subdivision 5 shall receive impairment compensation pursuant to subdivision 3b. This compensation is payable in addition to permanent total compensation pursuant to subdivision 4 and is payable concurrently. In this case the impairment compensation shall be paid in the same intervals and amount as the permanent total compensation is paid, and the impairment compensation shall cease when the amount due under subdivision 3b is reached. If this employee returns to work at any job during the period the impairment compensation is being paid, the remaining impairment compensation due shall be paid in a lump sum 30 days

after the employee has returned to work and no further temporary total compensation shall be paid.

(b) If an employee is receiving or has received economic recovery compensation and is determined to be permanently totally disabled no offset shall be taken against permanent total compensation for the compensation paid. No further economic recovery compensation is payable even if the amount due the employee pursuant to subdivision 3a has not yet been reached.

(c) If the employee has or is receiving impairment compensation and is determined to be permanently totally disabled no credit shall be taken for the compensation received. If any of this compensation remains to be paid, it shall cease and clause (d) of this subdivision applies.

(d) An employee who has received economic recovery compensation or impairment compensation and who meets the criteria under clause (b) or (c) of this subdivision shall receive impairment compensation pursuant to clause (a) of this subdivision even if the employee has previously received economic recovery compensation or impairment compensation for that disability.

(e) Rehabilitation consultation pursuant to section 176.102 shall be provided to an employee who is permanently totally disabled.

Sec. 42. Minnesota Statutes 1982, section 176.101, is amended by adding a subdivision to read:

Subd. 30. [NO JOB OFFER.] Where the employee has a permanent partial disability and has reached maximum medical improvement or upon completion of an approved retraining program, whichever is later, that employee shall receive economic recovery compensation pursuant to subdivision 3a if no job offer meeting the criteria of the job in subdivision 3e is made within 90 days after reaching maximum medical improvement or 90 days after the end of an approved retraining plan, whichever is later.

Temporary total compensation shall cease upon commencement of the payment of economic recovery compensation. Temporary total compensation shall not be paid concurrently with economic recovery compensation.

Sec. 43. Minnesota Statutes 1982, section 176.101, is amended by adding a subdivision to read:

Subd. 3p. [METHOD OF PAYMENT OF ECONOMIC RECOVERY COMPENSATION.] (a) Economic recovery compensation is only payable at the same intervals and in the same

amount as temporary total compensation was paid. Economic recovery compensation shall not be paid in a lump sum except as provided in this subdivision. If the employee returns to work and the economic recovery compensation is still being paid, the remaining economic recovery compensation due shall be paid in a lump sum 30 days after the employee has returned to work.

Sec. 44. Minnesota Statutes 1982, section 176.101, is amended by adding a subdivision to read:

Subd. 3q. [PAYMENT OF COMPENSATION AT DEATH.] If an employee receiving economic recovery compensation or impairment compensation in periodic amounts dies during the period from causes unrelated to the injury, the compensation shall be paid in the following manner:

(a) If the deceased employee leaves a dependent surviving spouse and no dependent children, as defined by section 176.111, subdivision 1, the spouse shall receive the weekly economic recovery or impairment compensation that the deceased was receiving before the death. This compensation shall be paid for a period of up to ten years after the date of death at which time payments and future entitlement to it ceases.

(b) If the deceased employee leaves a dependent spouse and dependent children, as defined in section 176.111, subdivision 1, the periodic economic recovery or impairment compensation shall continue to be paid to the surviving spouse for up to ten years after the youngest child is no longer dependent after which time payments and future entitlement to the compensation ceases.

(c) Payment of compensation under this subdivision shall cease prior to the end of the ten-year periods in this subdivision if the amount to which the employee is entitled to receive under subdivision 3, 3a, or 3b, is reached prior to the end of the ten-year period. If the deceased employee is not survived by dependent children or a dependent spouse as defined by section 176.111, no further economic recovery compensation or impairment compensation is payable to any person under this subdivision.

(d) If the death results from the injury, the payment of economic recovery compensation or impairment compensation shall cease upon the death and death benefits are payable pursuant to section 176.111.

Sec. 45. Minnesota Statutes 1982, section 176.101, is amended by adding a subdivision to read:

Subd. 3r. [ADDITIONAL ECONOMIC RECOVERY COMPENSATION OR IMPAIRMENT COMPENSATION.] No

additional economic recovery compensation or impairment compensation is payable to an employee who has received that compensation to which the employee is entitled pursuant to subdivision 3a or 3b unless the employee has a greater permanent partial disability than already compensated.

Sec. 46. Minnesota Statutes 1982, section 176.101, is amended by adding a subdivision to read:

Subd. 3s. [MINIMUM ECONOMIC RECOVERY COMPENSATION.] (a) Economic recovery compensation pursuant to this section shall be at least 110 percent of the impairment compensation the employee would receive if that compensation were payable to the employee. The monitoring period shall be at least 110 percent of the weeks during which impairment compensation would be payable if paid weekly.

(b) An employee who has suffered a personal injury for which temporary total compensation is payable but which produces no permanent partial disability shall receive 26 weeks of economic recovery compensation if no job is offered within the time specified in and meeting the criteria of subdivision 3e.

Sec. 47. Minnesota Statutes 1982, section 176.101, is amended by adding a subdivision to read:

Subd. 3t. [MEDICAL BENEFITS.] This section does not in any way limit the medical benefits to which an injured employee is otherwise entitled pursuant to this chapter.

Sec. 48. Minnesota Statutes 1982, section 176.101, is amended by adding a subdivision to read:

Subd. 3u. [ADMINISTRATIVE CONFERENCE.] The provisions of section 176.242 apply if there exists a dispute regarding maximum medical improvement or whether the job offered meets the criteria under subdivision 3e.

Sec. 49. Minnesota Statutes 1982, section 176.101, is amended by adding a subdivision to read:

Subd. 4a. [PREEXISTING CONDITION OR DISABILITY; APPORTIONMENT.] (a) If a personal injury results in a disability which is attributable in part to a preexisting disability, the compensation payable for the permanent partial disability pursuant to this section shall be equal to the proportion of the disability which is not attributable to the preexisting disability.

Sec. 50. Minnesota Statutes 1982, section 176.101, is amended by adding a subdivision to read:

Subd. 4b. [LEGISLATIVE INTENT.] The legislature reaffirms its intent that the reduction of compensation benefits pursuant to subdivision 4 is applicable after an employee has received a total of \$25,000 of weekly compensation including compensation under subdivisions 1, 2, and 4 of this section.

Sec. 51. Minnesota Statutes 1982, section 176.101, subdivision 6, is amended to read:

Subd. 6. [MINORS.] If any employee entitled to the benefits of this chapter is a minor or is an apprentice of any age and sustains a personal injury arising out of and in the course of employment resulting in permanent total or a *compensable* permanent partial disability, for the purpose of computing the compensation to which (HE) *the employee* is entitled for (SAID) *the injury* the compensation rate for temporary total, temporary partial, (RETRAINING,) a permanent partial or permanent total disability or *economic recovery compensation* shall be the (LARGER OF EITHER THE) statewide average weekly wage (OR THE EMPLOYEES WEEKLY WAGE, BUT IN NO CASE SHALL THE COMPENSATION EXCEED THE MAXIMUM WEEKLY COMPENSATION RATE PAYABLE UNDER THIS CHAPTER).

Sec. 52. Minnesota Statutes 1982, section 176.101, is amended by adding a subdivision to read:

Subd. 8. [RETIREMENT PRESUMPTION.] For injuries occurring after the effective date of this subdivision an employee who is eligible to receive social security old age insurance retirement benefits is presumed retired from the labor market. This presumption is rebuttable by a preponderance of the evidence.

Sec. 53. Minnesota Statutes 1982, section 176.102, subdivision 1, is amended to read:

Subdivision 1. [SCOPE.] (VOCATIONAL) Rehabilitation (SHALL TRAIN AN) *is intended to restore the injured employee, through physical and vocational rehabilitation, so (HE) the employee may (BE RETURNED) return to a job related to (HIS) the employee's former employment or to a job in another work area which produces an economic status as close as possible to that (HE) the employee would have enjoyed without disability. Rehabilitation to a job with a higher economic status than would have occurred without disability is permitted if it can be demonstrated that this rehabilitation is necessary to increase the likelihood of reemployment. Economic status is to be measured not only by opportunity for immediate income but also by opportunity for future income.*

Sec. 54. Minnesota Statutes 1982, section 176.102, subdivision 2, is amended to read:

Subd. 2. [ADMINISTRATORS.] The commissioner (OF LABOR AND INDUSTRY) shall hire a director of *medical care and rehabilitation services* in the classified service. The commissioner (OF LABOR AND INDUSTRY IS RESPONSIBLE FOR SUPERVISING) shall *monitor medical care and supervise rehabilitation services, including, but not limited to, making determinations regarding the selection and delivery of medical care and rehabilitation services and the criteria used to approve qualified rehabilitation consultants and rehabilitation vendors. The commissioner may also make determinations regarding fees for rehabilitation services, the fitness of qualified rehabilitation consultants and vendors to continue to be approved under this section and has authority to discipline, by fine or otherwise, the consultants or vendors who act in violation of this chapter or rules adopted pursuant to this chapter.* The commissioner (OF LABOR AND INDUSTRY) may hire qualified personnel and shall hire a *medical consultant* to assist in his duties under this section and may delegate his duties and performance.

The medical consultant shall be a doctor of medicine licensed under the laws of Minnesota.

The medical consultant shall perform all duties assigned by the commissioner relating to the supervision of the total continuum of care of injured employees and shall also advise the department on matters on which the commissioner requests the consultant's advice or if the consultant deems it appropriate.

Sec. 55. Minnesota Statutes 1982, section 176.102, subdivision 3, is amended to read:

Subd. 3. [REVIEW PANEL.] There is created a rehabilitation review panel composed of the commissioner (OF LABOR AND INDUSTRY) or (HIS) a designee, who shall serve as an ex officio member and two members each from (LABOR, EMPLOYERS,) insurers, (VOCATIONAL) rehabilitation, and medicine (AND), one member representing chiropractors, *four members representing employers and four members representing labor.* The members shall be appointed by the (GOVERNOR) commissioner and shall serve (FOUR YEAR) *four-year terms which may be renewed.* Compensation for members shall be governed by section 15.0575. The panel shall select a chairman. The panel shall ((A)) review and make a determination with respect to (a) appeals regarding *eligibility for rehabilitation services, rehabilitation plans and rehabilitation benefits under subdivision 9;* (b) (HOLD) *appeals on any other rehabilitation issue the commissioner determines under this section;* and (c) *appeals regarding fee disputes, penalties, discipline, certification approval or revocation (OF CERTIFICATION APPROVAL HEARINGS; (C)) of registration of qualified rehabilitation consultants and approved vendors.* The panel shall continuously study rehabilitation (;) *services and delivery and*

((D)) *develop and recommend rehabilitation rules (AS NECESSARY) to the commissioner (OF LABOR AND INDUSTRY. A MAJORITY VOTE OF THOSE ATTENDING A PANEL HEARING UNDER SUBDIVISION 6 SHALL CONSTITUTE THE DECISION OF THE BOARD).*

Sec. 56. Minnesota Statutes 1982, section 176.102, is amended by adding a subdivision to read:

Subd. 3a. [REVIEW PANEL APPEALS.] Appeals to the review panel shall be heard before a panel of three members designated by the review panel. Each three-member panel shall consist of one labor member, one employer or insurer member, and one member representing medicine, chiropractic, or rehabilitation. The determination of the three-member panel shall be by a majority vote and the determination shall represent the determination of the rehabilitation review panel. When conducting a review of the commissioner's determination regarding any rehabilitation issue or plan the panel shall give the parties notice that the appeal will be heard. This notice shall be given at least ten working days prior to the hearing. The notice shall state that parties may be represented by counsel at the hearing. In conducting its review the panel shall permit an interested party to present relevant, competent, oral or written evidence and to cross-examine opposing evidence. Evidence presented is not limited to the evidence previously submitted to the commissioner. A record of the proceeding shall be made by the panel. Upon determination of the issue presented, the panel shall issue to the interested parties a written decision and order. The decision need not contain a recitation of the evidence presented at the hearing, but shall be limited to the panel's basis for the decision.

Sec. 57. Minnesota Statutes 1982, section 176.102, subdivision 4, is amended to read:

Subd. 4. [REHABILITATION PLAN; DEVELOPMENT.] (WITHIN 30 DAYS OF THE TIME AN EMPLOYER OR HIS INSURER HAS MEDICAL INFORMATION THAT AN EMPLOYEE IS UNABLE DUE TO A PERSONAL INJURY OR OCCUPATIONAL DISEASE TO RETURN TO HIS PREINJURY OCCUPATION THE EMPLOYER SHALL PROVIDE REHABILITATION CONSULTATION FOR THE EMPLOYEE. THE EMPLOYEE, HOWEVER, HAS THE FINAL DECISION ON WHICH REHABILITATION AGENCY IS TO BE UTILIZED PURSUANT TO THE PROVISIONS OF THIS SECTION. THE CONSULTATION SHALL BE DONE BY ANY PERSON OR PUBLIC OR PRIVATE INSTITUTION APPROVED BY THE COMMISSIONER OF LABOR AND INDUSTRY. IF THE CONSULTANT DETERMINES REHABILITATION WOULD SIGNIFICANTLY REDUCE OR ELIMINATE THE DECREASE IN EMPLOYABILITY, THE EMPLOYER OR INSURER IN CONJUNCTION WITH THE REHABILITATION CONSULTANT SHALL SUBMIT A SPECIFIC PLAN OF REHABILITATION TO THE COMMIS-

SIONER. IF THE EMPLOYER DOES NOT PROVIDE REHABILITATION CONSULTATION, WHEN REQUIRED BY THIS SECTION, WITHIN THE TIME SPECIFIED BY THIS SUBDIVISION, THE COMMISSIONER OF LABOR AND INDUSTRY SHALL NOTIFY THE EMPLOYER AND INSURER THAT SHOULD THEY FAIL TO PROVIDE REHABILITATION CONSULTATION WITHIN 15 DAYS FROM THE RECEIPT OF THE COMMISSIONER'S NOTICE, THE DIVISION OF VOCATIONAL REHABILITATION SHALL BE AUTHORIZED TO PROVIDE THE REHABILITATION CONSULTATION FOR THE EMPLOYEE. IF THE EMPLOYEE REFUSES TO SUBMIT TO ANY REASONABLE EXAMINATIONS AND EVALUATIVE PROCEDURES TO DETERMINE THE NEED FOR AND THE DETAILS OF A PLAN OF REHABILITATION, THE AMOUNT OF COMPENSATION MAY BE REDUCED OR THE RIGHT TO COMPENSATION MAY BE SUSPENDED BY AN ORDER OF THE DIVISION OR WORKERS' COMPENSATION COURT OF APPEALS IN A MATTER BEFORE IT. IN DEVELOPING A PLAN, CONSIDERATION SHALL BE GIVEN TO THE EMPLOYEE'S AGE, EDUCATION, PREVIOUS WORK HISTORY, INTERESTS AND SKILLS.) (a) *An employer or insurer shall provide rehabilitation consultation to an injured employee within five days after the employee has 60 days of lost work time due to the personal injury, except as otherwise provided in this subdivision. Where an employee has incurred an injury to the back, the consultation shall be made within five days after the employee has 30 days of lost work time due to the injury. The lost work time in either case may be intermittent lost work time. If an employer or insurer has medical information at any time prior to the time specified in this subdivision that the employee will be unable to return to the job the employee held at the time of the injury rehabilitation consultation shall be made immediately after receipt of this information.*

For purposes of this section "lost work time" means only those days during which the employee would actually be working but for the injury. In the case of the construction industry, mining industry, or other industry where the hours and days of work are affected by seasonal conditions, "lost work time" shall be computed by using the normal schedule worked when employees are working full time.

If the employee objects to the employer's selection of a qualified rehabilitation consultant, the employee shall notify the employer and the commissioner in writing of the objection.

Upon receipt of the notice of objection, the commissioner may schedule an administrative conference for the purpose of determining which qualified rehabilitation consultant may be mutually acceptable. The employee has the final decision on which qualified rehabilitation consultant is to be utilized.

The employee and employer shall enter into a program if one is prescribed in a rehabilitation plan. A copy of the plan, includ-

ing a target date for return to work, shall be submitted to the commissioner.

(b) If the employer does not provide rehabilitation consultation as required by this section, the commissioner shall notify the employer that if the employer fails to appoint a qualified rehabilitation consultant within 15 days to conduct a rehabilitation consultation, the commissioner shall appoint a qualified rehabilitation consultant to provide the consultation at the expense of the employer unless the commissioner determines the consultation is not required.

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

(d) The commissioner may waive rehabilitation consultation under this section if the commissioner is satisfied that the employee will return to work in the near future or that rehabilitation consultation will not be useful in returning an employee to work.

Sec. 58. Minnesota Statutes 1982, section 176.102, subdivision 5, is amended to read:

Subd. 5. [ON THE JOB TRAINING.] On the job training is to be given consideration in developing a rehabilitation plan especially where it would produce an economic status similar to that enjoyed prior to disability. (WHEN A REHABILITATION PLAN INCLUDES ON THE JOB TRAINING, THE EMPLOYEE SHALL RECEIVE COMPENSATION WHILE EMPLOYED IN AN AMOUNT EQUAL TO THE AFTER TAX WAGE THE EMPLOYEE RECEIVED AT THE TIME OF THE PERSONAL INJURY. THIS COMPENSATION SHALL BE PAID IN WHOLE OR IN PART BY THE INSURER LIABLE FOR COMPENSATION FOR THE EMPLOYEE'S PERSONAL INJURY. THE AMOUNT OF COMPENSATION TO BE PAID BY THIS INSURER SHALL BE DETERMINED IN THE REHABILITATION PLAN PREPARED PURSUANT TO THIS SECTION. ANY DIFFERENCE BETWEEN THE AMOUNT OF COMPENSATION THE INSURER IS PAYING AND THE AFTER TAX WAGE THE EMPLOYEE RECEIVED AT THE TIME OF THE PERSONAL INJURY SHALL BE PAID BY THE ON THE JOB EMPLOYER, BUT IN NO CASE SHALL THIS EMPLOYER'S AMOUNT EXCEED THE PREVAILING WAGE FOR THE JOB. AFTER TAX WAGE SHALL BE DETERMINED BY SUBTRACTING FEDERAL AND STATE INCOME TAX FROM THE EMPLOYEE'S GROSS WAGE.)

(A REHABILITATION PLAN WHICH INCLUDES ON THE JOB TRAINING SHALL ATTEMPT TO CREATE AN INCENTIVE FOR AN EMPLOYER TO HIRE THE EM-

EMPLOYEE FOR ON THE JOB TRAINING. THIS INCENTIVE MAY BE IN THE FORM OF REDUCING THE ON THE JOB TRAINING EMPLOYER'S WAGES PAID TO THE EMPLOYEE TO A LEVEL WHICH IS LESS THAN THE PREVAILING WAGE FOR THE JOB, PROVIDED THAT THE TOTAL COMPENSATION FROM THE INSURER, REQUIRED BY THIS SECTION, AND THE WAGES PAID BY THE ON THE JOB TRAINING EMPLOYER IS NOT LESS THAN THE AFTER TAX WAGE RECEIVED BY THE EMPLOYEE AT THE TIME OF THE PERSONAL INJURY. THE COMPENSATION FROM THE INSURER AND THE ON THE JOB TRAINING EMPLOYER PAID PURSUANT TO THIS SUBDIVISION IS IN LIEU OF TEMPORARY TOTAL DISABILITY PAYMENTS AND THE ADDITIONAL COMPENSATION PROVIDED IN SUBDIVISION 11.)

Sec. 59. Minnesota Statutes 1982, section 176.102, subdivision 6, is amended to read:

Subd. 6. [PLAN, ELIGIBILITY FOR REHABILITATION, APPROVAL AND APPEAL.] The commissioner (OF LABOR AND INDUSTRY) shall *determine eligibility for rehabilitation services and shall review, approve, modify or reject rehabilitation plans developed under subdivision 4. The commissioner shall also make determinations regarding rehabilitation issues not necessarily part of a plan including, but not limited to, determinations regarding whether an employee is eligible for further rehabilitation and the benefits under subdivision 9 to which an employee is entitled.* (ANY PERSONS AGGRIEVED BY) A decision of the commissioner may (APPEAL) be appealed to the rehabilitation review panel within 30 days of the commissioner's decision. The decision of the panel may be appealed to the workers' compensation court of appeals in the same manner as other matters appealed to the court. (THE PANEL MAY APPROVE OR REJECT THE DECISION OF THE COMMISSIONER. IF IT REJECTS THE COMMISSIONER'S DECISION IT MAY FORMULATE ITS OWN REHABILITATION PLAN.)

Sec. 60. Minnesota Statutes 1982, section 176.102, is amended by adding a subdivision to read:

Subd. 6a. [ELIGIBILITY DETERMINATION.] *The commissioner has the sole authority under this chapter to determine eligibility for rehabilitation services under this section and to review, approve, modify, or reject rehabilitation plans and make other rehabilitation determinations pursuant to this chapter. These determinations shall not be made by a compensation judge but may be appealed to the rehabilitation review panel and workers' compensation court of appeals as provided by subdivision 6.*

Sec. 61. Minnesota Statutes 1982, section 176.102, subdivision 7, is amended to read:

Subd. 7. [PLAN IMPLEMENTATION; REPORTS.] Upon request by the commissioner, insurer (OR), employer *or employee, medical and rehabilitation* reports shall be made by the provider of the *medical and rehabilitation* service to the commissioner (OF LABOR AND INDUSTRY), insurer (AND), employer *or employee* (OF AN EMPLOYEE'S PROGRESS UNDER A PLAN).

Sec. 62. Minnesota Statutes 1982, section 176.102, subdivision 8, is amended to read:

Subd. 8. [PLAN MODIFICATION.] Upon request (OF) *to the commissioner by the employer, the insurer, or employee (TO THE COMMISSIONER), or upon the commissioner's own request,* the plan may be suspended, terminated or altered upon a showing of good cause (THEREFOR), including:

(a) a physical impairment that does not allow the employee to pursue the (VOCATION BEING TRAINED FOR) *rehabilitation plan;*

(b) the employee's performance level indicates (HE CANNOT COMPLETE) the plan *will not be successfully completed;*
or

(c) an employee does not cooperate with a plan.

An employee may request a change in a rehabilitation plan once because (HE) *the employee* feels (HE IS NOT SUITED) *ill-suited* for the type of work for which (TRAINING) *rehabilitation* is being provided if the request is made within 90 days of the start of the plan. Any decision of the commissioner regarding a change in a plan may be appealed to the *rehabilitation review panel* within (15) *30* days of the decision.

Sec. 63. Minnesota Statutes 1982, section 176.102, subdivision 9, is amended to read:

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

(a) Cost of (VOCATIONAL) rehabilitation (DIAGNOSIS) *evaluation and preparation of a plan;*

(b) Cost of all rehabilitation services and supplies necessary for implementation of the plan;

(c) Reasonable cost of tuition, books and travel; and, in addition, reasonable costs of board (AND), lodging *and custodial*

daycare when rehabilitation requires residence away from the employee's customary residence; (AND)

(d) *Reasonable cost of travel and custodial daycare during the job interview process;*

(e) *Reasonable cost for moving expenses of the employee and family if a job is found in a geographic area beyond reasonable commuting distance after a diligent search within the present community. Relocation shall not be paid more than once during any rehabilitation program, and relocation shall not be required if the new job is located within the same standard metropolitan statistical area as the employee's job at the time of injury; and*

((D)) (f) Any other expense agreed to be paid.

Sec. 64. Minnesota Statutes 1982, section 176.102, subdivision 10, is amended to read:

Subd. 10. [REHABILITATION; CONSULTANTS.] The commissioner shall approve rehabilitation consultants who may propose and implement plans if they satisfy rules (PROMULGATED) adopted by the commissioner for rehabilitation consultants. A consultant may be an individual or public or private entity, but may not be a vendor or the agent of a vendor of rehabilitation services.

Sec. 65. Minnesota Statutes 1982, section 176.102, subdivision 11, is amended to read:

Subd. 11. [(COMPENSATION DURING REHABILITATION) RETRAINING.] (THE INSURER OR EMPLOYER SHALL PAY UP) *Retraining is limited to 156 weeks (OF COMPENSATION DURING REHABILITATION UNDER A PLAN IN AN AMOUNT EQUAL TO 125 PERCENT OF THE EMPLOYEE'S RATE FOR TEMPORARY TOTAL DISABILITY. THIS PAYMENT IS IN LIEU OF PAYMENT FOR TEMPORARY TOTAL, TEMPORARY PARTIAL, OR PERMANENT TOTAL DISABILITY TO WHICH THE EMPLOYEE MIGHT OTHERWISE BE ENTITLED FOR THIS PERIOD UNDER THIS CHAPTER, BUT SHALL BE CONSIDERED TO BE THE EQUIVALENT OF TEMPORARY TOTAL DISABILITY FOR THE PURPOSES OF SECTION 176.132. IF ON THE JOB TRAINING IS PART OF THE REHABILITATION PROGRAM, THE WEEKS DURING WHICH THE INSURER OR EMPLOYER PAYS COMPENSATION PURSUANT TO SUBDIVISION 5 SHALL BE SUBTRACTED FROM THE 156 WEEKS OF RETRAINING COMPENSATION WHICH HAS BEEN PAID, IF ANY, PURSUANT TO THIS SUBDIVISION. THIS SUBDIVISION SHALL NOT APPLY TO RETRAINING BENEFITS FOR WHICH LIABILITY HAS BEEN ESTABLISHED PRIOR TO JULY 1, 1979).*

Sec. 66. Minnesota Statutes 1982, section 176.102, is amended by adding a subdivision to read:

Subd. 11a. [APPLICABILITY OF SECTION.] This section is applicable to all employees injured prior to or on and after October 1, 1979, except for those provisions which affect an employee's monetary benefits.

Sec. 67. Minnesota Statutes 1982, section 176.102, is amended by adding a subdivision to read:

Subd. 13. [DISCONTINUANCE.] All benefits payable under chapter 176 may, after a determination and order by the commissioner, be discontinued or forfeited for any time during which the employee refuses to submit to any reasonable examinations and evaluative procedures ordered by the commissioner to determine the need for and details of a plan of rehabilitation, or refuses to participate in rehabilitation evaluation as required by this section or does not make a good faith effort to participate in a rehabilitation plan. A discontinuance under this section is governed by section 176.242.

Sec. 68. [176.103] [MEDICAL HEALTH CARE REVIEW.]

Subdivision 1. [PURPOSE.] It is the purpose of this section to provide for review of clinical health care providers who render services to injured employees. This review shall be achieved by establishing a quality control system within the department of labor and industry.

Subd. 2. [SCOPE.] The commissioner shall monitor the medical and surgical treatment provided to injured employees, the services of other health care providers, and shall also monitor hospital utilization as it relates to the treatment of injured employees. This monitoring shall include determinations concerning the appropriateness of the service, whether the treatment is necessary and effective, the proper cost of services, the quality of the treatment, the right of providers to receive payment under this chapter for services rendered or the right to receive payment under this chapter for future services. The commissioner may penalize, disqualify, or suspend a provider from receiving payment for services rendered under this chapter, if the commissioner determines that the provider has violated any part of this chapter or rule adopted under this chapter. The commissioner's authority under this section also includes the authority to make determinations regarding any other activity involving the questions of utilization of medical services, and any other determination the commissioner deems necessary for the proper administration of this section.

The commissioner has the sole authority to make determinations under this section with a right of appeal to the medical services review board as provided in subdivision 3 and the workers' compensation court of appeals. A compensation judge has no jurisdiction in making determinations under this section.

Subd. 3. [MEDICAL SERVICES REVIEW BOARD; SELECTION; POWERS.] (a) There is created a medical services review board composed of the commissioner or the commissioner's designee, one person representing chiropractic, one person representing hospital administration, and seven medical practitioners representing different specialties which the commissioner determines are the most frequently utilized by injured employees. The board shall also have one person representing employees, one person representing employers or insurers, and one person representing the general public. The members shall be appointed by the commissioner and shall be governed by section 15.0575. Terms of the board's members may be renewed.

The board shall review and make a determination with respect to appeals from the commissioner's decision regarding medical care, quality control and monitoring of medical care, and any other disputes or issues regarding care provided by hospitals and health care providers. The board shall also hear appeals from the commissioner regarding the eligibility of medical providers to receive payment for services to injured employees and any other determinations made by the commissioner pursuant to subdivision 2. The board shall also advise the commissioner on policies affecting medical care for injured employees, and shall advise the commissioner on the adoption of rules regarding all aspects of medical care and services provided to injured employees.

(b) The board shall appoint three of its members to hear appeals from decisions of the commissioner regarding quality control and monitoring of medical care; any other disputes regarding medical, surgical, and hospital care; decisions regarding the eligibility of medical providers to receive payments; or any other determinations of the commissioner pursuant to subdivision 2. The three-member panel shall be composed of one member who does not represent a health care specialty, one member who represents the same specialty as the specialty at issue or, if the same specialty is not available, one member whose specialty is as close as possible considering the board's composition, and one member representing a different specialty. The three-member panel shall conduct a hearing in the same manner, giving the same notice and following other procedures required of the rehabilitation review panel in section 176.102, subdivision 3a. A majority vote of the three-member panel constitutes the decision of the board. This decision may be appealed to the workers' compensation court of appeals.

(c) In any situation where a conflict of interest prevents the appointment of a full three-member panel or in any other situa-

tion where the commissioner deems it necessary to resolve a conflict of interest, the commissioner may appoint a temporary substitute board member to serve until the situation creating the conflict of interest has been resolved.

Sec. 69. [176.104] [REHABILITATION PRIOR TO DETERMINATION OF LIABILITY.]

Subdivision 1. [DISPUTE.] If there exists a dispute regarding whether an injury arose out of and in the course and scope of employment and an employee has been disabled for the requisite time under section 176.102, subdivision 4 prior to determination of liability, the employee shall be referred by the commissioner to the division of vocational rehabilitation which shall provide rehabilitation consultation and other rehabilitation services. The services provided by the division of vocational rehabilitation and the scope and term of the rehabilitation are governed by section 176.102 and rules adopted pursuant to that section. Rehabilitation costs and services under this subdivision shall be approved, rejected, or modified by the commissioner.

Subd. 2. [LIABILITY FOR PAST REHABILITATION.] If liability is determined after the employee has commenced rehabilitation under this section the liable party is responsible for the cost of rehabilitation provided and approved by the commissioner. Future rehabilitation after liability is established is governed by section 176.102.

Sec. 70. Minnesota Statutes 1982, section 176.105, is amended by adding a subdivision to read:

Subd. 4. The commissioner shall by rule adopt procedures to determine the percentage of loss of function of a part of the body, including internal organs, described in section 176.101, subdivision 3 and any other body part not listed in section 176.101, subdivision 3 which the commissioner deems appropriate.

Temporary rules shall be adopted for this purpose not later than January 1, 1985. Prior to the adoption of these rules, at least two public hearings shall be held by the commissioner, in addition to the requirements of sections 14.29 to 14.36. Notwithstanding sections 14.29 to 14.36, the temporary rules adopted under this subdivision shall be effective until superseded by permanent rules. The rules shall promote objectivity and consistency in the evaluation of permanent functional impairment due to personal injury and in the assignment of a numerical rating to the functional impairment.

Disability ratings and schedules shall be based on objective medical evidence.

The rules shall:

(a) *be workable and simple with respect to the evaluation of functional disability;*

(b) *require consistency of the procedures with accepted medical standards; utilize standards established in Wisconsin Administrative Code, sections Ind. 80.25 to 80.33, inclusive;*

(c) *prohibit the consideration of symptomatology which is not substantiated by objective medical evidence;*

(d) *attempt to reduce litigation;*

(e) *require that all disability amounts shall be rounded to the nearest five percent.*

Sec. 71. Minnesota Statutes 1982, section 176.111, subdivision 6, is amended to read:

Subd. 6. [SPOUSE, NO DEPENDENT CHILD.] ((A)) If the deceased employee leaves a dependent surviving spouse and no dependent child, there shall be paid to the spouse (, AT THE OPTION OF THE SPOUSE, EITHER:)

((1) A LUMP SUM SETTLEMENT EQUAL TO TEN FULL YEARS OF COMPENSATION AT 50 PERCENT OF THE DAILY WAGE AT THE TIME OF THE INJURY OF THE DECEASED, COMPUTED WITHOUT REGARD TO SECTION 176.645; OR)

((2)) weekly workers' compensation benefits at 50 percent of the daily wage at the time of the injury for a period of ten years, including adjustments as provided in section 176.645.

((B) A DEPENDENT SURVIVING SPOUSE WHO HAS NOT ACCEPTED A LUMP SUM SETTLEMENT PURSUANT TO CLAUSE (A)(1) AND WHO REMARRIES SHALL RECEIVE THE LESSER OF EITHER:)

((1) A LUMP SUM SETTLEMENT EQUAL TO TWO FULL YEARS OF COMPENSATION AT 50 PERCENT OF THE DAILY WAGE AT THE TIME OF THE INJURY OF THE DECEASED, COMPUTED WITHOUT REGARD TO SECTION 176.645; OR)

((2) THE REMAINING WEEKLY WORKERS' COMPENSATION BENEFITS PURSUANT TO CLAUSE (A)(2) AT 50 PERCENT OF THE DAILY WAGE, INCLUDING ADJUSTMENTS AS PROVIDED IN SECTION 176.645.)

Sec. 72. Minnesota Statutes 1982, section 176.111, subdivision 7, is amended to read:

Subd. 7. [SPOUSE, ONE DEPENDENT CHILD.] (a) If the deceased employee leaves a surviving spouse and one dependent child, there shall be paid to the surviving spouse for the benefit of the spouse and child 60 percent of the daily wage at the time of the injury of the deceased until the child is no longer a dependent as defined in subdivision 1. At that time there shall be paid to the dependent surviving spouse (, AT THE OPTION OF THE SPOUSE, EITHER:)

((1) A LUMP SUM SETTLEMENT EQUAL TO TEN FULL YEARS OF COMPENSATION AT A RATE WHICH IS $16 \frac{2}{3}$ PERCENT LESS THAN THE LAST WEEKLY WORKERS' COMPENSATION BENEFIT PAYMENT, AS DEFINED IN SUBDIVISION 8A, WHILE THE SURVIVING CHILD WAS A DEPENDENT, COMPUTED WITHOUT REGARD TO SECTION 176.645; OR)

((2)) weekly benefits at a rate which is $16 \frac{2}{3}$ percent less than the last weekly workers' compensation benefit payment, as defined in subdivision 8a, while the surviving child was a dependent, for a period of ten years, including adjustments as provided in section 176.645.

((B) A SURVIVING SPOUSE WHO REMARRIES SHALL RECEIVE:)

((1) COMPENSATION, FOR THE BENEFIT OF THE DEPENDENT CHILD, ACCORDING TO THE ALLOCATION PROVIDED IN SUBDIVISION 10, UNTIL THE CHILD IS NO LONGER A DEPENDENT AS DEFINED IN SUBDIVISION 1; AND)

((2) A LUMP SUM SETTLEMENT, FOR THE BENEFIT OF THE SURVIVING SPOUSE, EQUAL TO TWO FULL YEARS OF WEEKLY BENEFITS IN AN AMOUNT WHICH EQUALS THE DIFFERENCE BETWEEN THE BENEFIT OTHERWISE PAYABLE UNDER CLAUSE (A) AND THE AMOUNT PAYABLE TO THE DEPENDENT CHILD PURSUANT TO CLAUSE (B)(1).)

Sec. 73. Minnesota Statutes 1982, section 176.111, subdivision 8, is amended to read:

Subd. 8. [SPOUSE, TWO DEPENDENT CHILDREN.] ((A)) If the deceased employee leaves a surviving spouse and two dependent children, there shall be paid to the surviving spouse for the benefit of the spouse and children $66 \frac{2}{3}$ percent of the daily wage at the time of the injury of the deceased until the youngest dependent child is no longer dependent. At that time the dependent surviving spouse shall be paid (, AT THE OPTION OF THE SPOUSE, EITHER:)

((1) A LUMP SUM SETTLEMENT EQUAL TO TEN FULL YEARS OF COMPENSATION AT A RATE WHICH IS 25 PERCENT LESS THAN THE LAST WEEKLY WORKERS' COMPENSATION BENEFIT PAYMENT, AS DEFINED IN SUBDIVISION 8A, WHILE THE LAST SURVIVING CHILD WAS A DEPENDENT, COMPUTED WITHOUT REGARD TO SECTION 176.645; OR)

((2)) weekly benefits at a rate which is 25 percent less than the last weekly workers' compensation benefit payment, as defined in subdivision 8a, while the surviving child was a dependent, for a period of ten years, adjusted according to section 176.645.

((B) A SURVIVING SPOUSE WHO REMARRIES SHALL RECEIVE COMPENSATION, FOR THE BENEFIT OF THE CHILDREN, ALLOCATED ACCORDING TO SUBDIVISION 10, UNTIL THE YOUNGEST DEPENDENT CHILD IS NO LONGER DEPENDENT AS DEFINED IN SUBDIVISION 1 AND, FOR THE BENEFIT OF THE SURVIVING SPOUSE, A LUMP SUM SETTLEMENT EQUAL TO TWO FULL YEARS OF WEEKLY BENEFITS IN AN AMOUNT WHICH EQUALS THE DIFFERENCE BETWEEN THE BENEFIT OTHERWISE PAYABLE PURSUANT TO CLAUSE (A) AND THE AMOUNT PAYABLE TO THE DEPENDENT CHILDREN ALLOCATED ACCORDING TO SUBDIVISION 10, COMPUTED WITHOUT REGARD TO SECTION 176.645.)

Sec. 74. Minnesota Statutes 1982, section 176.111, is amended by adding a subdivision to read:

Subd. 9a. [REMARRIAGE OF SPOUSE.] Remarriage of a surviving spouse who is receiving benefits under subdivisions 6, 7, or 8 has no effect on the spouse's right to receive weekly benefits for the remaining period that the spouse is entitled to receive benefits pursuant to this section.

Sec. 75. Minnesota Statutes 1982, section 176.111, subdivision 18, is amended to read:

Subd. 18. [BURIAL EXPENSE.] In all cases where death results to an employee from a personal injury arising out of and in the course of employment, the employer shall pay the expense of burial, not exceeding in amount (\$1,000) \$2,500. In case any dispute arises as to the reasonable value of the services rendered in connection with the burial, (SUCH) its reasonable value shall be determined and approved by the commissioner (OF THE DEPARTMENT OF LABOR AND INDUSTRY), a compensation judge, or workers' compensation court of appeals, in cases upon appeal, before payment, after (SUCH) reasonable notice to interested parties as is required by the commissioner (OF THE DEPARTMENT OF LABOR AND INDUSTRY). If the

deceased leave no dependents, no compensation is payable, except as provided by this chapter.

Sec. 76. Minnesota Statutes 1982, section 176.121, is amended to read:

176.121 [COMMENCEMENT OF COMPENSATION.]

In cases of temporary total or temporary partial disability no compensation (SHALL BE) is allowed for the three *calendar* days after the disability commenced, except as provided by section 176.135, nor in any case unless the employer has actual knowledge of the injury or is notified thereof within the period specified in section 176.141. If (SUCH) *the* disability continues for 10 *calendar* days or longer, (SUCH) *the* compensation (SHALL BE) is computed from the commencement of the disability. *Disability is deemed to commence on the first calendar day or fraction of a calendar day that the employee is unable to work.*

Sec. 77. [176.129] [CREATION OF THE SPECIAL COMPENSATION FUND.]

Subdivision 1. [DEPOSIT OF FUNDS.] The special compensation fund is created for the purposes provided for in this chapter. The state treasurer is the custodian of the special compensation fund. Sums paid to the commissioner pursuant to this section shall be deposited with the state treasurer for the benefit of the fund and used to pay the benefits under this chapter. Any interest or profit accruing from investment of these sums shall be credited to the special compensation fund.

Subd. 2. [PAYMENTS TO FUND, DEATH.] In every case of death of an employee resulting from personal injury arising out of and in the course of employment where there are no persons entitled to monetary benefits of dependency compensation, the employer shall pay to the commissioner the sum of \$5,000 for the benefit of the special compensation fund. In every case of death of an employee resulting from personal injury arising out of and in the course of employment where there are no persons entitled to at least \$5,000 in monetary benefits of dependency compensation, the employer shall pay to the commissioner for the benefit of the special compensation fund the difference between the amounts actually paid for the dependency benefits and \$5,000; but in no event shall the employer pay the commissioner less than \$1,000.

Subd. 3. [PAYMENTS TO FUND, INJURY.] If an employee suffers a personal injury resulting in permanent partial disability, temporary total disability, temporary partial disability, permanent total disability, or death and the employee or the employee's dependents are entitled to compensation, medical or rehabilitative services under sections 176.101, 176.102, 176.-

111, or 176.135, the employer shall pay to the commissioner a lump sum amount determined by the commissioner pursuant to subdivision 4 without any interest deduction. This payment is to be credited to the special compensation fund and shall be in addition to any compensation payments made by the employer under this chapter. Payment shall be made as soon as the amount is determined and approved by the commissioner.

Subd. 4. [DETERMINATION OF AMOUNT OF PAYMENT.] The amount payable by the employer to the special compensation fund under subdivision 3 shall be determined by the commissioner pursuant to section 176.83.

Subd. 5. [TIME OF INJURY.] Subdivisions 2 and 3 apply to all workers' compensation payments paid under sections 176.101, 176.102, 176.111, or 176.135, for an injury or death occurring on or after the effective date of this section.

Payments made for personal injuries that occurred prior to the effective date of this section shall be assessed at the rate in effect on the date of payment.

Subd. 6. [PAYMENTS OUT OF FUND.] The workers' compensation division, a compensation judge, the workers' compensation court of appeals, or district court in cases before them shall direct the distribution of benefits provided by this chapter. These benefits are payable in the same manner as other payments of compensation.

Subd. 7. [REFUNDS.] In case deposit is or has been made under subdivision 2 and dependency later is shown, or if deposit is or has been made pursuant to subdivision 2 or 3 by mistake or inadvertence, or under circumstances that justice requires a refund, the state treasurer is authorized to refund the deposit under order of the commissioner, a compensation judge, the workers' compensation court of appeals, or a district court. There is appropriated to the commissioner from the fund an amount sufficient to make the refund and payment.

Subd. 8. [COMMISSIONER AS ADMINISTRATOR.] The commissioner is the administrator of the special compensation fund. The special compensation fund shall be designated a party in an action regarding any right, obligation, and liability of the special fund. The state treasurer, as custodian, does not have standing in an action determining any right, obligation, or liability of the special fund. The attorney general shall represent the special fund in all legal matters in which the special fund has an interest.

Subd. 9. [POWERS OF FUND.] In addition to powers granted to the special compensation fund by this chapter the fund may do the following:

(a) *sue and be sued in its own name;*

(b) *intervene in or commence an action under this chapter or any other law, including, but not limited to, intervention or action as a subrogee to the division's right in a third-party action, any proceeding under this chapter in which liability of the special compensation fund is an issue, or any proceeding which may result in other liability of the fund or to protect the legal right of the fund;*

(c) *enter into settlements including but not limited to structured, annuity purchase agreements with appropriate parties under this chapter; and*

(d) *take any other action which an insurer is permitted by law to take in operating within this chapter.*

Subd. 10. [PENALTY.] *Sums paid to the commissioner pursuant to this section shall be in the manner prescribed by the commissioner. The commissioner may impose a penalty of up to 15 percent of the amount due under this section but not less than \$500 in the event payment is not made in the manner prescribed.*

Subd. 11. [ADMINISTRATIVE PROVISIONS.] *The accounting, investigation, and legal costs necessary for the administration of the programs financed by the special compensation fund shall be paid from the fund during each biennium commencing July 1, 1981. Staffing and expenditures related to the administration of the special compensation fund shall be approved through the regular budget and appropriations process.*

Subd. 12. [REPORT OF COMMISSIONER.] *The commissioner shall report biennially to the governor and to the legislature as to the financial status of the special compensation fund. The report shall include a statement of the receipts and the disbursements for the period covered.*

Subd. 13. [EMPLOYER REPORTS.] *All employers shall make reports to the commissioner as required for the proper administration of this section and section 176.131.*

Sec. 78. Minnesota Statutes 1982, section 176.131, subdivision 1, is amended to read:

Subdivision 1. If an employee incurs personal injury and suffers disability that is substantially greater, because of a pre-existing physical impairment, than what would have resulted from the personal injury alone, the employer shall pay all compensation provided by this chapter, but (HE) *the employer* shall be reimbursed from the special compensation fund for all compensation paid in excess of 52 weeks of monetary benefits and \$2,000 in medical expenses, subject to the following exceptions:

If the personal injury alone results in permanent partial disability to a scheduled member under (SECTION 176.101) *the schedule adopted by the commissioner pursuant to section 176.105*, the monetary and medical expense limitations shall not apply and the employer (SHALL BE) is liable for (SUCH) the compensation, medical expense, and (RETRAINING) *rehabilitation* attributable to the permanent partial disability, and (HE) may be reimbursed from the *special* compensation fund only for compensation paid in excess of (SUCH) *the* disability.

Sec. 79. Minnesota Statutes 1982, section 176.131, subdivision 1a, is amended to read:

Subd. 1a. If an employee is employed in an on the job retraining program pursuant to section 176.102 and the employee incurs a personal injury that aggravates the personal injury for which the employee has been certified to enter the on the job retraining program, the on the job training employer shall pay the medical expenses and compensation required by this chapter, (BUT) *and* shall be reimbursed from the special compensation fund for the compensation and medical expense that is attributable to the aggravated injury. The employer, at the time of the personal injury for which the employee has been certified for retraining, is liable for the portion of the disability that is attributable to that injury.

Sec. 80. Minnesota Statutes 1982, section 176.131, subdivision 2, is amended to read:

Subd. 2. If the employee's personal injury (SHALL RESULT) *results* in disability or death, and if the injury, death, or disability would not have occurred except for the pre-existing physical impairment *registered with the special compensation fund*, the employer shall pay all compensation provided by this chapter, (BUT) *and* shall be reimbursed from the special compensation fund for (SUCH) *the* compensation (ONLY WHERE THE PERMANENT PHYSICAL IMPAIRMENT CONTRIBUTING TO THE SECOND INJURY IS DIABETES, HEMOPHILIA OR SEIZURES) *except that this reimbursement shall not be made for cardiac disease or a condition registered pursuant to clause (t) or (u) unless the commissioner by rule provides otherwise.*

Sec. 81. Minnesota Statutes 1982, section 176.131, subdivision 3, is amended to read:

Subd. 3. To entitle the employer to secure reimbursement from the special compensation fund, the following provisions must be complied with:

- (a) Provisions of section 176.181, subdivisions 1 and 2.

(b) The employee with a pre-existing physical impairment must have been registered with the commissioner (OF LABOR AND INDUSTRY) prior to the employee's personal injury or within 180 days after notice of the employee's personal injury is received by the employer. Registration subsequent to the injury shall be based on a medical report or record made prior to the injury indicating the pre-existing physical impairment.

Sec. 82. Minnesota Statutes 1982, section 176.131, subdivision 4, is amended to read:

Subd. 4. Any employer who hires or retains in (HIS) *its* employment any person who has a physical impairment shall file a formal registration for (EACH SUCH) *the* employee with the commissioner (OF THE DEPARTMENT OF LABOR AND INDUSTRY IN SUCH) *on a form* (AS) *prescribed by* the commissioner (MAY REQUIRE).

Sec. 83. Minnesota Statutes 1982, section 176.131, subdivision 5, is amended to read:

Subd. 5. Registration under this section may be made by the employee or any employer provided:

(a) Registration (SHALL BE) *is* accompanied by satisfactory evidence of (SUCH) *the* physical impairment;

(b) Registration (SHALL BE) *is* in effect as long as (SAID) *the* impairment exists;

(c) Upon request, a registered employee shall be furnished by the commissioner (OF THE DEPARTMENT OF LABOR AND INDUSTRY) with a registration card evidencing the (FACT OF) registration, and (SUCH) other facts as the commissioner (OF THE DEPARTMENT OF LABOR AND INDUSTRY) deems advisable.

Sec. 84. Minnesota Statutes 1982, section 176.131, subdivision 6, is amended to read:

Subd. 6. When the employer claims reimbursement from the special compensation fund after paying compensation as prescribed by this section, (HE) *the employer* shall file with the commissioner (OF THE DEPARTMENT OF LABOR AND INDUSTRY) written notice of intention to claim reimbursement in accordance with the rules (AND REGULATIONS OF) *adopted by* the commissioner (OF THE DEPARTMENT OF LABOR AND INDUSTRY).

Sec. 85. Minnesota Statutes 1982, section 176.131, subdivision 7, is amended to read:

Subd. 7. Under subdivisions 1 and 2, an occupational disease may be deemed to be the personal (second) injury.

If the subsequent disability for which reimbursement is claimed is an occupational disease, and if, subsequent to registration as provided by subdivisions 4 and 5, the employee has been employed by the employer in employment similar to that which initially resulted in (SUCH) *the* occupational disease, no reimbursement shall be paid to the employer.

Sec. 86. Minnesota Statutes 1982, section 176.131, subdivision 8, is amended to read:

Subd. 8. As used in this section the following terms have the meanings given them:

"Physical impairment" means any physical or mental condition that is permanent in nature, whether congenital or due to injury, disease or surgery and which is or is likely to be a hindrance or obstacle to obtaining employment (PROVIDED) *except* that (,) physical impairment (AS USED HEREIN) is limited to the following:

- (a) Epilepsy,
- (b) Diabetes,
- (c) Hemophilia,
- (d) Cardiac disease,
- (e) Partial or entire absence of thumb, finger, hand, foot, arm or leg,
- (f) Lack of sight in one or both eyes or vision in either eye not correctable to 20/40,
- (g) Residual disability from poliomyelitis,
- (h) Cerebral Palsy,
- (i) Multiple Sclerosis,
- (j) Parkinson's disease,
- (k) Cerebral vascular accident,
- (l) Chronic Osteomyelitis,
- (m) Muscular Dystrophy,

(n) Thrombophlebitis,

(o) Brain tumors,

(p) Pott's disease,

(q) Seizures,

(r) Cancer of the bone,

(s) Leukemia,

((O)) (t) Any other physical impairment for which at least 50 weeks or more of weekly benefits would be payable as permanent partial disability if the physical impairment were evaluated according to standards used in workers' compensation proceedings, and

((P)) (u) Any other physical impairments of a permanent nature which the (WORKERS' COMPENSATION COURT OF APPEALS) *commissioner* may by rule prescribe;

"Compensation" has the meaning defined in section 176.011;

"Employer" includes insurer;

"Disability" means, unless otherwise indicated, any condition causing either temporary total, temporary partial, permanent total, permanent partial, death, medical expense, or (RETRAINING) *rehabilitation*.

Sec. 87. Minnesota Statutes 1982, section 176.132, subdivision 1, is amended to read:

Subdivision 1. [ELIGIBLE RECIPIENTS.] (a) An employee who has suffered personal injury *prior to the effective date of clause (b)* for which benefits are payable under section 176.101 and who has been totally disabled for more than 104 weeks shall be eligible for supplementary benefits as (HEREINAFTER) *prescribed in this section* after 104 weeks have elapsed and for the remainder of (HIS) *the total disablement*. Regardless of the number of weeks of total disability, no totally disabled person (SHALL BE) *is ineligible for supplementary benefits after four years have elapsed since the first date of (HIS) the total disability, except as provided by clause (b), provided that all periods of disability are caused by the same injury.*

(b) *No employee injured after July 1, 1981, shall be eligible to receive supplementary benefits.*

Sec. 88. Minnesota Statutes 1982, section 176.132, is amended by adding a subdivision to read:

Subd. 5. [ROUNDING OF PAYMENTS.] A payment made under this section shall be rounded to the nearest whole dollar.

Sec. 89. Minnesota Statutes 1982, section 176.134, subdivision 4, is amended to read:

Subd. 4. [ADMINISTRATION.] The commissioner (OF LABOR AND INDUSTRY) shall administer the reopened case fund as part of the special compensation fund provided that the reopened case fund is under separate accounting and audit procedures from the special fund.

Sec. 90. Minnesota Statutes 1982, section 176.135, subdivision 1, is amended to read:

Subdivision 1. [MEDICAL, CHIROPRACTIC, PODIATRIC, SURGICAL, HOSPITAL.] The employer shall furnish (SUCH) any medical, chiropractic, podiatric, surgical and hospital treatment, including nursing, medicines, medical, chiropractic, podiatric, and surgical supplies, crutches and apparatus, including artificial members, or, at the option of the employee, if the employer has not filed notice as hereinafter provided, Christian Science treatment in lieu of medical treatment, chiropractic medicine and medical supplies, as may reasonably be required at the time of the injury and any time thereafter to cure and relieve from the effects of the injury. (SUCH) This treatment shall include treatments necessary to physical rehabilitation. The employer shall furnish replacement or repair for artificial members, glasses, or spectacles, artificial eyes, podiatric orthotics, dental bridge work, dentures or artificial teeth, hearing aids, canes, crutches or wheel chairs damaged by reason of an injury arising out of and in the course of the employment. In case of his inability or refusal seasonably to do so the employer (SHALL BE) is liable for the reasonable expense incurred by or on behalf of the employee in providing the same. The employer shall pay for the reasonable value of nursing services by a member of the employee's family in cases of permanent total disability. Orders of (A COMPENSATION JUDGE) the commissioner or medical services review board with respect to this subdivision may be reviewed by the workers' compensation court of appeals on petition of an aggrieved party or by writ of certiorari to the supreme court.

Sec. 91. Minnesota Statutes 1982, section 176.135, subdivision 3, is amended to read:

Subd. 3. [LIMITATION OF LIABILITY.] The pecuniary liability of the employer for the treatment, articles and supplies required by this section shall be limited to (SUCH) the charges

therefor as prevail in the same community for similar treatment, articles and supplies furnished to injured persons of a like standard of living when the same are paid for by the injured persons. On this basis the (COMPENSATION JUDGE) *commissioner, medical services review board*, or workers' compensation court of appeals on appeal may determine the reasonable value of all such services and supplies and the liability of the employer is limited to the amount so determined.

Sec. 92. Minnesota Statutes 1982, section 176.136, is amended to read:

176.136 [MEDICAL FEE REVIEW.]

The commissioner (OF INSURANCE) shall by rule establish procedures for determining whether or not the charge for a health service is excessive. In order to accomplish this purpose, the commissioner (OF INSURANCE) shall consult with insurers, associations and organizations representing the medical and other providers of treatment services and other appropriate groups. The procedures established by the commissioner (OF INSURANCE) shall limit the charges allowable for medical, chiropractic, podiatric, surgical, hospital and other health care provider treatment or services, as defined and compensable under section 176.135, to the 75th percentile of usual and customary fees or charges based upon billings for each class of health care provider during all of the calendar year preceding the year in which the determination is made of the amount to be paid the health care provider for the billing. The procedures established by the commissioner for determining whether or not the charge for a health service is excessive shall be structured to encourage providers to develop and deliver services for rehabilitation of injured workers. The procedures shall incorporate the provisions of sections 144.701, 144.702, and 144.703 to the extent that the commissioner finds that these provisions effectively accomplish the intent of this section or are otherwise necessary to insure that quality hospital care is available to injured employees. If the commissioner (OF INSURANCE, A COMPENSATION JUDGE), *medical services review board*, the workers' compensation court of appeals or a district court determines that the charge for a health service or medical service is excessive, no payment in excess of the reasonable charge for that service shall be made under this chapter nor may the provider collect or attempt to collect from the injured employee or any other insurer or government amounts in excess of the amount payable under this chapter; however, the commissioner (OF INSURANCE) shall by rule establish procedures allowing for a provider to appeal such determination. The commissioner (OF INSURANCE) shall contract with a review organization as defined in section 145.61 for the purposes listed in section 145.61, subdivision 5, and report to the legislature by January 15, 1983 and thereafter on January 15 of every odd-numbered year, regarding the delivery of medical and health care services, includ-

ing rehabilitation services, under the workers' compensation laws of this state.

The commissioner (OF INSURANCE) shall also conduct a study of the qualifications and background of rehabilitation consultants and vendors providing services under section 176.102 for the purpose of determining whether there are adequate professional standards provided, including safeguards to protect against conflicts of interest. *If upon the effective date of this section this study has already been conducted by the commissioner of insurance, the commissioner is not required to conduct the study.*

The commissioner (OF INSURANCE) shall adopt temporary rules in order to implement the provisions of this subdivision. Notwithstanding the provisions of section 14.14, subdivision 1, and any amendments, the temporary rules adopted by the commissioner (OF INSURANCE) pursuant to this subdivision may be extended for an additional 180 days if the procedures for adoption of a rule pursuant to sections 14.13 to 14.20 or 14.21 to 14.28, and other provisions of the administrative procedure act related to final agency action and rule adoption have not been concluded.

Any rules adopted by the commissioner of insurance pursuant to this section shall be adopted by the commissioner of labor and industry and may be amended, modified, or repealed only by the commissioner of labor and industry.

Sec. 93. [176.138] [MEDICAL DATA; ACCESS.]

Notwithstanding any other laws related to the privacy of medical data, except federal law, or any private agreements to the contrary, the release of medical data related to a current claim for compensation under this chapter to the employee, employer, or insurer who are parties to the claim, or to the department of labor and industry, shall not require prior approval of any party to the claim. Requests for pertinent data shall be made in writing to the person or organization that collected or currently possesses the data. The data shall be provided by the collector or possessor within seven working days of receiving the request. In all cases of a request for the data, except when it is the employee who is making the request, the employee shall be sent written notification of the request by the party requesting the data at the same time the request is made. This data shall be treated as private data by the party who requests or receives the data and the employee or the employee's attorney shall be provided with a copy of all data requested.

The commissioner may impose a penalty of up to \$200 payable to the special compensation fund against a party who does not release the data in a timely manner. A party who does not treat this data as private pursuant to this section is guilty of a misdemeanor.

Sec. 94. Minnesota Statutes 1982, section 176.155, subdivision 3, is amended to read:

Subd. 3. [REFUSAL TO BE EXAMINED.] If the injured employee refuses to comply with any reasonable request for examination, (HIS) *the* right to compensation may be suspended by order of the division, a *compensation judge* or workers' compensation court of appeals in a matter before it, and no compensation shall be paid while (HE) *the employee* continues in (SUCH) *the* refusal.

Sec. 95. Minnesota Statutes 1982, section 176.155, subdivision 5, is amended to read:

Subd. 5. [TESTIMONY OF (EXAMINING PHYSICIANS) HEALTH CARE PROVIDER.] Any physician or other health care provider designated by the commissioner (OF THE DEPARTMENT OF LABOR AND INDUSTRY), compensation judge, or workers' compensation court of appeals or whose services are furnished or paid for by the employer, who treats (OR WHO MAKES), *examines*, or is present at any examination, of an injured employee, may be required to testify as to any knowledge acquired by (HIM) *the physician or health care provider* in the course of (SUCH) *the* treatment or examination relative to the injury or disability resulting (THEREFROM) *from the injury only if the commissioner or a compensation judge makes a written finding that the appearance of the physician or health care provider is crucial to the accurate determination of the employee's disability. In all other cases all medical evidence must be submitted by written report as prescribed by the chief hearing examiner. A party may cross examine by deposition a physician or health care provider who has examined or treated the employee. If a physician or health care provider is not available for cross examination prior to the hearing and the physician's or health care provider's written report is submitted at the hearing, the compensation judge shall, upon request of the adverse party, require the physician or health care provider to testify at the hearing for the purpose of being cross examined by the adverse party. All written medical evidence must be submitted prior to or at the time of the hearing and no evidence shall be considered which was submitted after the hearing unless the compensation judge orders otherwise.*

Sec. 96. Minnesota Statutes 1982, section 176.179, is amended to read:

176.179 [PAYMENTS OF COMPENSATION RECEIVED IN GOOD FAITH.]

Notwithstanding section 176.521, subdivision 3, or any other provision of this chapter to the contrary, except as provided in this section, no lump sum or weekly payment, or settlement, which is voluntarily paid to an injured employee or the survivors

of a deceased employee in apparent or seeming accordance with the provisions of this chapter by an employer or insurer, or is paid pursuant to an order of the workers' compensation division, a *compensation judge*, or court of appeals relative to a claim by an injured employee or (HIS) *the employee's* survivors, and received in good faith by the employee or (HIS) *the employee's* survivors shall be refunded to the paying employer or insurer in the event that it is subsequently determined that the payment was made under a mistake in fact or law by the employer or insurer. When the payments have been made to a person who is entitled to receive further payments of compensation for the same injury, the mistaken compensation may be taken as a credit against future benefit entitlement; provided, however, that the credit applied against further payments of temporary total disability, temporary partial disability, permanent total disability, retraining benefits or death benefits shall not exceed 20 percent of the amount that would otherwise be payable.

Sec. 97. Minnesota Statutes 1982, section 176.182, is amended to read:

176.182 [BUSINESS LICENSES OR PERMITS; COVERAGE REQUIRED.]

Every state (OR LOCAL) licensing agency shall withhold the issuance of a license or permit to operate a business in Minnesota until the applicant presents acceptable evidence of compliance with the workers' compensation insurance coverage requirement of section 176.181, subdivision 2.

Neither the state nor any governmental subdivision thereof shall enter into any contract *for the doing of any public work* before receiving from all other contracting parties acceptable evidence of compliance with the workers' compensation insurance coverage requirement of section 176.181, subdivision 2.

This section shall not be construed to create any liability on the part of the state or any governmental subdivision to pay workers' compensation benefits or to indemnify the special compensation fund, an employer, or insurer who pays workers' compensation benefits.

Sec. 98. Minnesota Statutes 1982, section 176.183, subdivision 1, is amended to read:

Subdivision 1. When any employee (SHALL SUSTAIN) *sustains* an injury arising out of and in the course of (HIS) employment while in the employ of an employer, other than the state or its political subdivisions, not insured or self-insured as provided for in this chapter, the employee or (HIS) *the employee's* dependents shall nevertheless receive benefits as pro-

vided for (THEREIN) *in this chapter* from the special compensation fund, and the (STATE TREASURER AS CUSTODIAN OF SUCH FUND SHALL HAVE) *commissioner has a cause of action against (SUCH) the employer for reimbursement for all moneys paid out or to be paid out, and, in the discretion of the court, as punitive damages an additional amount not exceeding 50 percent of all moneys paid out or to be paid out. An action to recover (SUCH) the moneys shall be instituted unless the (CUSTODIAN) commissioner determines that no recovery is possible. All moneys recovered shall be deposited in the general fund. There shall be no payment from the special compensation fund if there is liability for the injury under the provisions of section 176.215, by an insurer or self-insurer.*

Sec. 99. Minnesota Statutes 1982, section 176.183, subdivision 1a, is amended to read:

Subd. 1a. When an employee or (HIS) *the employee's* dependent is entitled to benefits under this chapter from a self-insurer, present or past, other than the state and its municipal subdivisions, but *the self-insurer* fails to (BE PAID THEM) *pay the benefits, the employee or (HIS) the employee's* dependents, regardless of the date when the accident, personal injury, occupational disease, or death occurred, shall nevertheless receive (SUCH) *the* benefits from the special compensation fund (, AND). The (STATE TREASURER AS CUSTODIAN OF SUCH FUND SHALL HAVE) *commissioner has a cause of action against (SUCH) the self-insuring employer for reimbursement (,) for all (MONEYS) benefits and other expenditures paid out or to be paid out and, in the discretion of the court, (AS) the self-insurer is liable for punitive damages in and (ADDITIONAL) amount not to exceed 50 percent of the total of all (MONEYS) benefits and other expenditures paid out or to be paid out. The commissioner shall institute an action to recover (SUCH MONEYS SHALL BE INSTITUTED) the total expenditures from the fund unless the (CUSTODIAN) commissioner determines that no recovery is possible. All (MONEYS) proceeds recovered shall be deposited in the general fund.*

Sec. 100. Minnesota Statutes 1982, section 176.183, is amended by adding a subdivision to read:

Subd. 3. (a) *Notwithstanding subdivision 2, the commissioner may direct payment from the special compensation fund for compensation payable pursuant to subdivisions 1 and 1a, including benefits payable under sections 176.102 and 176.135, prior to issuance of an order of a compensation judge or the workers' compensation court of appeals directing payment or awarding compensation.*

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

Sec. 101. Minnesota Statutes 1982, section 176.183, is amended by adding a subdivision to read:

Subd. 4. If the commissioner authorizes the special fund to commence payment under this section, the commissioner shall serve by certified mail notice upon the employer and other interested parties of the intention to commence payment. This notice shall be served at least ten calendar days before commencing payment and shall be mailed to the last known address of the parties. The notice shall include a statement that failure of the employer to respond within ten calendar days of the date of service will be deemed acceptance by the employer of the proposed action by the commissioner and will be deemed a waiver of defenses the employer has to a subrogation or indemnity action by the commissioner. At any time prior to final determination of liability, the employer may appear as a party and present defenses the employer has, whether or not an appearance by the employer has previously been made in the matter. The commissioner has a cause of action against the employer to recover compensation paid by the special fund under this section.

Sec. 102. Minnesota Statutes 1982, section 176.185, is amended by adding a subdivision to read:

Subd. 10. [DATA COLLECTION CONTRACTS.] The commissioner may contract with other parties regarding the collection of appropriate data to assist in meeting the requirements of this section.

Sec. 103. [176.186] [RECORDS FROM OTHER STATE AGENCIES.] *Notwithstanding any other state law to the contrary, the commissioner may obtain from the department of revenue, department of economic security, and office of the secretary of state, or any other state agency, upon request, names or lists of employers doing business in the state. This information shall be treated by the commissioner in the manner provided by chapter 13 and shall be used only for insurance verification by the commissioner.*

Sec. 104. Minnesota Statutes 1982, section 176.191, is amended by adding a subdivision to read:

Subd. 5. Where a dispute exists between an employer, insurer, the special compensation fund, the reopened case fund, or the workers' compensation reinsurance association, regarding benefits payable under this chapter, the dispute may be submitted with consent of all interested parties to binding arbitration pursuant to the rules of the American arbitration association. The decision of the arbitrator shall be conclusive with respect to all issues presented except as provided in subdivisions 6 and 7. Consent of the employee is not required for submission of a dispute to arbitration pursuant to this section and the employee is not bound by the results of the arbitration. An arbitra-

tion award shall not be admissible in any other proceeding under this chapter. Notice of the proceeding shall be given to the employee.

The employee, or any person with material information to the facts to be arbitrated, shall attend the arbitration proceeding if any party to the proceeding deems it necessary. Nothing said by an employee in connection with any arbitration proceeding may be used against the employee in any other proceeding under this chapter. Reasonable expenses of meals, lost wages, and travel of the employee or witnesses in attending shall be reimbursed on a pro rata basis.

Sec. 105. Minnesota Statutes 1982, section 176.191, is amended by adding a subdivision to read:

Subd. 6. If the employee commences an action under this chapter for benefits arising out of the same injury which resulted in the dispute arbitrated under subdivision 5, and if the benefits awarded to the employee under the employee's claim are inconsistent with the arbitration decision, any increase in benefits over those paid pursuant to the arbitration proceeding is paid by the party or parties who ordinarily would have been required to pay the increased benefits but for the arbitration. Any reimbursement from the employee of any decrease in benefits from those paid pursuant to the arbitration is paid to the party or parties who previously had paid the increased benefits. The provisions of this subdivision apply regardless of whether more or fewer employers and insurers or the special fund have been added or omitted as parties to the employee's subsequent action after arbitration.

Sec. 106. Minnesota Statutes 1982, section 176.191, is amended by adding a subdivision to read:

Subd. 7. If an employee brings an action under the circumstances described in subdivision 6, the parties to the previous arbitration may be represented at the new action by a common or joint attorney.

Sec. 107. Minnesota Statutes 1982, section 176.191, is amended by adding a subdivision to read:

Subd. 8. No attorney's fees shall be awarded under either section 176.081, subdivision 8, or 176.191 against any employer or insurer in connection with any arbitration proceeding unless the employee chooses to retain an attorney to represent the employee's interests during arbitration.

Sec. 108. Minnesota Statutes 1982, section 176.195, is amended by adding a subdivision to read:

Subd. 1a. [ADDITIONAL GROUNDS.] Where an insurer or agent of an insurer has failed to comply with provisions of this chapter, other than the provisions in subdivision 1, the commissioner of insurance may revoke the license of the insurer to write workers' compensation insurance.

Sec. 109. Minnesota Statutes 1982, section 176.195, subdivision 2, is amended to read:

Subd. 2. [COMMENCEMENT OF PROCEEDINGS.] (SUCH) The commissioner of insurance may act under subdivision 1 or subdivision 1a upon his own motion, the recommendation of the commissioner (OF THE DEPARTMENT) of labor and industry, the chief hearing examiner, or the workers' compensation court of appeals, or the complaint of any interested person.

Sec. 110. Minnesota Statutes 1982, section 176.195, is amended by adding a subdivision to read:

Subd. 7. [REPORT TO COMMISSIONER OF INSURANCE.] The commissioner may send reports to the commissioner of insurance regarding compliance with this chapter by insurers writing workers' compensation insurance. A report may include a recommendation for revocation of an insurer's license under this section and may also recommend the imposition of other penalties which may be imposed upon insurers by the commissioner of insurance.

Sec. 111. Minnesota Statutes 1982, section 176.221, is amended to read:

176.221. [PAYMENT OF COMPENSATION AND TREATMENT CHARGES, COMMENCEMENT.]

Subdivision 1. [COMMENCEMENT OF PAYMENT.] Within 14 days of notice to or knowledge by the employer of an injury compensable under this chapter the payment of *temporary total compensation* (DUE PURSUANT TO SECTION 176.101, SUBDIVISION 1,) shall commence. Commencement of payment by an employer or insurer does not waive any rights to any defense the employer may have on any claim or incident either with respect to the compensability of the claim under chapter 176 or the amount of the compensation due. Where there are multiple employers, the first employer shall pay, unless it is shown that the injury has arisen out of employment with the second or subsequent employer. (WHEN) *If the employer or insurer has commenced payment of compensation under this subdivision but determines within 30 days of notice to or knowledge by the employer of the injury that the disability is not a result of a personal injury, payment of compensation may be (DISCONTINUED) terminated upon (NOTICE OF DISCONTINUANCE PURSUANT TO SECTION 176.241) the filing of a notice of*

denial of liability. Upon the (DETERMINATION) termination, payments made may be recovered by the employer if the commissioner or compensation judge finds that the employee's claim of work related disability was not made in good faith. A notice of denial of liability must state in detail specific reasons explaining why the claimed injury or occupational disease was determined not to be within the scope and course of employment and shall include the name and telephone number of the person making this determination.

Subd. 2. [GRANT OF EXTENSION.] Upon application made within 30 days (AFTER THE DATE ON WHICH THE FIRST PAYMENT WAS DUE) of notice to or knowledge by the employer of the injury, the commissioner may grant an extension of time within which to determine liability. The extension shall not exceed 30 days from the date the request for extension is made. The application or grant of extension does not release the employer of the obligation to commence payment under subdivision 1 or to continue payments.

Subd. 3. [PAYMENTS TO SPECIAL COMPENSATION FUND.] Where an employer or insurer fails to begin payment of compensation (, CHARGES FOR TREATMENT UNDER SECTION 176.135 OR RETRAINING EXPENSES UNDER 176.102, SUBDIVISION 9) pursuant to subdivision 1, or to file a denial of liability within the 14-day period referred to in subdivision 1, (OR TO REQUEST AN EXTENSION OF TIME WITHIN 30 DAYS AFTER THE DATE ON WHICH THE FIRST PAYMENT WAS DUE, HE) it shall pay to the special compensation fund an amount equal to the total amount of compensation to which the employee is entitled because of the injury (, IN ADDITION, EACH DAY SUBSEQUENT TO THE END OF THE PERIOD AND UNTIL A) to receive up to the date compensation payment is made to the (INJURED) employee (, THE PERSON RESPONSIBLE FOR PAYMENT OF COMPENSATION FUND SHALL PAY TO THE SPECIAL COMPENSATION FUND AN AMOUNT EQUAL TO THE TOTAL COMPENSATION TO WHICH THE INJURED EMPLOYEE IS ENTITLED).

(SUBD. 4. [FAILURE TO MAKE PAYMENTS AFTER EXTENSION.] WHERE AN EMPLOYER OR INSURER HAS BEEN GRANTED AN EXTENSION OF TIME WITHIN WHICH TO DETERMINE LIABILITY AND FAILS TO BEGIN PAYMENT OF COMPENSATION, CHARGES FOR TREATMENT UNDER SECTION 176.135 OR RETRAINING EXPENSES UNDER 176.102, SUBDIVISION 9 OR TO FILE A DENIAL OF LIABILITY WITHIN SUCH EXTENDED PERIOD, HE SHALL MAKE THE PAYMENTS PROVIDED IN SUBDIVISION 3.)

(SUBD. 5. [DOUBLE PAYMENTS TO SPECIAL COMPENSATION FUND.] WHERE AN EMPLOYER OR IN-

SURER HAS FAILED TO MAKE THE PAYMENTS REQUIRED BY SUBDIVISION 3 OR SUBDIVISION 4 WITHIN 30 DAYS FROM THE END OF THE PERIOD OR THE EXTENDED PERIOD, THE DIVISION MAY REQUIRE HIM TO PAY TO THE SPECIAL COMPENSATION FUND, EACH DAY SUBSEQUENT TO THE END OF THE PERIOD AND UNTIL A COMPENSATION PAYMENT IS MADE TO THE INJURED EMPLOYEE, A SUM EQUAL TO DOUBLE THE TOTAL AMOUNT OF COMPENSATION TO WHICH THE EMPLOYEE IS ENTITLED BECAUSE OF THE INJURY. IN ADDITION, THE PERSON RESPONSIBLE FOR COMPENSATION, CHARGES FOR TREATMENT UNDER SECTION 176.135 OR RETRAINING EXPENSES UNDER 176.102, SUBDIVISION 9 SHALL PAY TO THE SPECIAL COMPENSATION FUND AN AMOUNT EQUAL TO THE TOTAL AMOUNT OF COMPENSATION TO WHICH THE EMPLOYEE IS ENTITLED.)

Subd. 6. [ASSESSMENT OF PENALTIES.] The division or compensation judge shall assess the penalty payments provided for by (SUBDIVISIONS) *subdivision 3 (TO 5,*) and any increase in benefit payments provided by section 176.225, subdivision 5, against (EITHER THE EMPLOYER OR) the insurer (DEPENDING UPON TO WHOM THE DELAY IS ATTRIBUTABLE IN MAKING PAYMENT OF COMPENSATION, CHARGES FOR TREATMENT UNDER SECTION 176.135 OR RETRAINING EXPENSES UNDER 176.102, SUBDIVISION 9). The insurer is (NOT) liable for a penalty payment assessed against it even if the delay is attributable to the employer.

An insurer who has paid a penalty under this section may recover from the employer the portion of the penalty attributable to the acts of the employer which resulted in the delay. A penalty paid by an insurer under this section which is attributable to the fault of the employer shall be treated as a loss in an experience rated plan, retrospective rating plan, or dividend calculation where appropriate.

Subd. 6a. [MEDICAL, REHABILITATION, ECONOMIC RECOVERY, AND IMPAIRMENT COMPENSATION.] *The penalties provided by this section apply in cases where payment for treatment under section 176.135, rehabilitation expenses under section 176.102, subdivision 9, economic recovery compensation or impairment compensation are not made in a timely manner as required by law or by rule adopted by the commissioner.*

Subd. 7. [INTEREST.] Any payment of compensation, charges for treatment under section 176.135 or (RETRAINING) rehabilitation expenses under 176.102, subdivision 9 not made when due shall bear interest at the rate of eight percent (PER ANNUM) a year from the due date to the date the payment is made or the rate set by section 549.09, subdivision 1, whichever is greater.

Subd. 8. [METHOD AND TIMELINESS OF PAYMENT.] Payment of compensation under this chapter shall be by immediately payable negotiable instrument, or if by any other method, arrangements shall be available to provide for the immediate negotiability of the payment instrument.

All payment of compensation shall be made within 14 days of the filing of an appropriate order by the division or a compensation judge, unless the order is (TO BE) appealed (,) or (WHERE) if a different time period is provided by this chapter.

Sec. 112. Minnesota Statutes 1982, section 176.225, subdivision 1, is amended to read:

Subdivision 1. [GROUNDS.] Upon reasonable notice and hearing or opportunity to be heard, the division, a compensation judge, or upon appeal, the workers' compensation court of appeals or the supreme court may award compensation, in addition to the total amount of compensation award, of up to 25 percent of that total amount where an employer or insurer has:

(a) instituted a proceeding or interposed a defense which does not present a real controversy but which is frivolous or for the purpose of delay; or,

(b) unreasonably or vexatiously delayed payment; or,

(c) neglected or refused to pay compensation; or,

(d) intentionally underpaid compensation.

Sec. 113. Minnesota Statutes 1982, section 176.225, subdivision 2, is amended to read:

Subd. 2. [EXAMINATION OF BOOKS AND RECORDS.] To determine whether an employer or insurer (HAS BECOME SUBJECT TO) is liable for the payment provided by subdivision 1, the division, a compensation judge, or the workers' compensation court of appeals upon appeal may examine the books and records of the (PERSON) employer or insurer relating to the payment of compensation, and may require (HIM) the employer or insurer to furnish any other information relating to the payment of compensation.

Sec. 114. Minnesota Statutes 1982, section 176.225, subdivision 3, is amended to read:

Subd. 3. [DEFIANCE OF DIVISION, COMPENSATION JUDGE, OR WORKERS' COMPENSATION COURT OF APPEALS, COMPLAINT.] (WHERE) If an insurer persists in an action or omission listed in subdivision 1, or does not permit the examination of (HIS) books and records, or fails to furnish (SUCH) information as required, the commissioner or

the chief hearing examiner shall file a written complaint with the insurance commissioner. The complaint shall specify the facts and recommend the revocation of the license of the insurer to do business in this state. The workers' compensation court of appeals may also file (SUCH) a written complaint.

Sec. 115. Minnesota Statutes 1982, section 176.231, subdivision 3, is amended to read:

Subd. 3. [PHYSICIANS, CHIROPRACTORS, OR (SURGEONS) OTHER HEALTH CARE PROVIDERS TO REPORT INJURIES.] (WHERE) A physician (OR SURGEON), *chiropractor, or other health care provider who has examined, treated, or has special knowledge of an injury to an employee which may be compensable under this chapter, (HE) shall report to the commissioner (OF THE DEPARTMENT OF LABOR AND INDUSTRY) all facts relating to the nature and extent of the injury and disability, and the treatment provided for the injury or disability, within ten days after (HE) the health care provider has received a written request for (SUCH) the information from the commissioner (OF THE DEPARTMENT OF LABOR AND INDUSTRY) or (ANY MEMBER OR EMPLOYEE THEREOF) an authorized representative of the commissioner.*

Sec. 116. Minnesota Statutes 1982, section 176.231, subdivision 4, is amended to read:

Subd. 4. [SUPPLEMENTARY REPORTS.] The commissioner (OF THE DEPARTMENT OF LABOR AND INDUSTRY,) or (ANY MEMBER OR EMPLOYEE THEREOF,) *an authorized representative may require the filing of (SUCH) supplementary reports of accidents as (IT DEEMS) is deemed necessary to provide information required by law.*

Supplementary reports related to the current nature and extent of the employee's injury, disability, or treatment may be requested from a physician, surgeon, chiropractor, or other health care provider by the commissioner or a representative, an employer or insurer, or the employee.

Sec. 117. Minnesota Statutes 1982, section 176.231, subdivision 5, is amended to read:

Subd. 5. [FORMS FOR REPORTS.] The commissioner (OF THE DEPARTMENT OF LABOR AND INDUSTRY) shall *by rule* prescribe forms for use in making the reports required by this section. *The first report of injury form which the employer submits (WITH REFERENCE TO AN ACCIDENT) shall include a declaration by the employer (THAT HE WILL) of a promise to pay the compensation the law requires. Forms for reports required by this section shall be as prescribed by the*

commissioner and shall be the only forms used by an employer, insurer, self-insurer, group self-insurer, and all health care providers.

Sec. 118. Minnesota Statutes 1982, section 176.231, subdivision 9, is amended to read:

Subd. 9. [USES WHICH MAY BE MADE OF REPORTS.] Reports filed with the commissioner (OF THE DEPARTMENT OF LABOR AND INDUSTRY) under this section may be used in hearings held under this chapter, and for the purpose of state investigations and for statistics.

The division or office of administrative hearings or workers' compensation court of appeals may permit an attorney at law who represents an employer, insurer, or an employee or (HIS) a dependent to examine its file in a compensation case if the attorney furnishes written authorization to do so from (HIS) the attorney's client. Reports filed under this section and other information the commissioner has regarding injuries or deaths shall be made available to the workers' compensation reinsurance association for use by the association in carrying out its responsibilities under chapter 79.

Sec. 119. Minnesota Statutes 1982, section 176.231, subdivision 10, is amended to read:

Subd. 10. [FAILURE TO FILE REQUIRED REPORT, PENALTY.] (WHERE) *If an employer, physician, (OR SURGEON HAS FAILED) chiropractor, or other health provider fails to file with the commissioner (OF THE DEPARTMENT OF LABOR AND INDUSTRY) any report required by this section in the manner and within the time limitations prescribed, (HE SHALL FORFEIT TO THE STATE \$50) or otherwise fails to provide a report required by this section in the manner provided by this section, the commissioner may impose a penalty of up to \$200 for each (SUCH) failure.*

The attorney general shall sue in a civil action to collect this penalty upon notification of the matter by the commissioner (OF THE DEPARTMENT OF LABOR AND INDUSTRY). The commissioner (OF THE DEPARTMENT OF LABOR AND INDUSTRY) shall certify to the attorney general each failure to report immediately upon its occurrence.

Penalties collected by the state under this subdivision shall be paid into the state treasury.

Sec. 120. Minnesota Statutes 1982, section 176.241, subdivision 2, is amended to read:

Subd. 2. [CONTINUANCE OF EMPLOYER'S LIABILITY; SUSPENSION.] Except (WHERE) *when* the commissioner orders otherwise, until the copy of the notice and reports have been filed with the division, the liability of the employer to make payments of compensation continues.

When the division has received a copy of the notice of discontinuance, the statement of facts and available medical reports, the duty of the employer to pay compensation is suspended pending an investigation, hearing, and determination of the matter by the division *or compensation judge* as provided in the following subdivisions.

Sec. 121. Minnesota Statutes 1982, section 176.241, is amended to read:

176.241 [NOTICE TO DIVISION OF INTENTION TO DISCONTINUE COMPENSATION PAYMENTS.]

Subdivision 1. [NECESSITY FOR NOTICE AND SHOWING; CONTENTS.] Where an employee claims that the right to compensation continues, the employer may not discontinue payment of compensation until he provides the employee with notice in writing of his intention to do so, together with a statement of facts clearly indicating the reasons for the discontinuance. A copy of the notice shall be provided to the division by the employer.

The notice to the employee and the copy to the division shall state the date of intended discontinuance and the reason for the action. The notice to the employee and the copy to the division shall be accompanied by a statement of facts in support of the discontinuance of compensation payments and whatever medical reports are in the possession of the employer bearing on the physical condition of the employee at the time of the proposed discontinuance.

Subd. 2. [CONTINUANCE OF EMPLOYER'S LIABILITY; SUSPENSION.] Except where the commissioner orders otherwise, until the copy of the notice and reports have been filed with the division, the liability of the employer to make payments of compensation continues.

When the division has received a copy of the notice of discontinuance, the statement of facts and available medical reports, the duty of the employer to pay compensation is suspended pending an investigation, hearing, and determination of the matter by the division as provided in the following subdivisions.

Subd. 3. [COPY OF NOTICE TO EMPLOYEE, INVESTIGATION, HEARING.] When the employer has reason to believe compensation may be terminated within the requirements

of this chapter, notice shall be given to the employee informing the employee of his right to object to the discontinuance and providing instructions as to how to contact the employer or insurer regarding the discontinuance and the procedures related to initiation of a claim. The commissioner shall make an investigation to determine whether the right to compensation has terminated. If it appears from the investigation that the right to compensation may not have terminated, the commissioner shall refer the matter to the chief hearing examiner in order that a hearing before a compensation judge may be scheduled, to determine the right of the employee, or his dependent, to further compensation.

The hearing shall be held within (A REASONABLE TIME) 30 days after the division has received the notice of discontinuance. The compensation judge shall give eight days notice of the hearing to interested parties.

Subd. 4. [ORDER.] When the hearing has been held (,) and (HE HAS DULY CONSIDERED) the evidence *duly considered*, the person who held the hearing shall promptly enter an order directing the payment of further compensation or confirming the termination of compensation. (WHERE) *If the order confirms a termination of compensation, (THE COMMISSIONER OF LABOR AND INDUSTRY SHALL NOTIFY THE EMPLOYER OF THE ACTION. THIS NOTIFICATION) the service and filing of the order* relieves the employer from further liability for compensation subject to the right of review afforded by this chapter, and to the right of the (DIVISION) *compensation judge to set aside the order at any time prior to the review and to grant a new hearing pursuant to this chapter. Once an appeal to the workers' compensation court of appeals is filed, a compensation judge may not set aside the order but the court of appeals may remand the matter to a compensation judge for a new hearing.*

Sec. 122. [176.243] [ADMINISTRATIVE CONFERENCE FOLLOWING RETURN TO WORK, SUBSEQUENT INABILITY TO WORK.]

Subdivision 1. [CONFIRMATION OF EMPLOYMENT AND WAGES.] If an insurer has discontinued compensation to an employee because the employee has returned to work, the insurer shall contact the employer by whom the employee is employed 14 calendar days after return to work. The insurer shall determine whether the employee is still employed after 14 days and shall also ascertain the wages being paid to the employee.

Subd. 2. [NOTICE TO COMMISSIONER.] If upon contact the insurer determines that the employee is not working or that the employee is earning a lower wage than at the time of the injury, the insurer shall notify the commissioner in writing of this fact and shall also state the actions that the insurer has

taken or intends to take regarding payment of compensation. A copy of this notice shall be served by the insurer by certified mail to the employee.

Subd. 3. [EMPLOYEE REQUEST FOR ADMINISTRATIVE CONFERENCE.] If the employee objects to the action of the insurer regarding payment of compensation upon the cessation of work by the employee, the employee may request an administrative conference with the commissioner to resolve disputed issues. A request for an administrative conference shall be made within ten calendar days after service of the notice on the employee. If the employee requests an administrative conference the commissioner shall schedule a conference to be held within 14 calendar days after the commissioner receives the request.

Subd. 4. [ADMINISTRATIVE DECISION.] After considering the information provided by the parties at the administrative conference the commissioner shall issue to all interested parties a written administrative decision regarding payment of compensation. The commissioner's decision is binding upon the parties and the rights and obligations of the parties are governed by the decision. The commissioner shall advise all parties of the right to petition to the chief hearing examiner under section 176.241 and of the right to be represented by an attorney at a hearing before a compensation judge. A party aggrieved by the commissioner's decision may proceed under section 176.241.

Subd. 5. [DECISION BINDING PENDING COMPENSATION JUDGE DECISION.] If an aggrieved party files a petition under section 176.241, the commissioner's administrative decision remains in effect pending a determination by a compensation judge.

Subd. 6. [DECISION AS NOTICE.] If a party proceeds under section 176.241, the commissioner's administrative decision is deemed to fulfill the division's obligations under section 176.241.

Subd. 7. [OBLIGATIONS PRIOR TO ADMINISTRATIVE DECISION.] If an insurer has not voluntarily recommenced compensation following the employee's cessation of work the insurer is not obligated to do so until an administrative conference is held and unless the commissioner determines that compensation shall be recommenced.

Subd. 8. [NECESSITY OF ADMINISTRATIVE CONFERENCE.] If the commissioner deems it appropriate, based upon information the commissioner has, the commissioner may determine that an administrative conference is not necessary, in which case a party may proceed under section 176.241.

Subd. 9. [APPLICATION OF SECTION.] This section applies only when the employee has received at least 60 days of temporary total or temporary partial compensation prior to return to work and if no rehabilitation plan has been approved.

Subd. 10. [NOTICE FORMS.] A notice under this section shall be on a form prescribed by the commissioner.

Subd. 11. [FINES, VIOLATIONS.] An employer or insurer who violates this section is subject to a fine of up to \$500 for each violation which shall be paid to the special compensation fund.

Subd. 12. [APPLICATION.] This section is applicable to all cases in which a return to work has occurred after the effective date of this section even if the injury occurred prior to the effective date.

Sec. 123. Minnesota Statutes 1982, section 176.271, is amended by adding a subdivision to read:

Subd. 3. Notwithstanding any other provision to the contrary, no attorney employed by the state of Minnesota may represent any person in any action or matter under this chapter other than the state, as defined in section 79.34, subdivision 1.

Sec. 124. Minnesota Statutes 1982, section 176.281, is amended to read:

176.281 [ORDERS, DECISIONS, AND AWARDS; FILING; SERVICE.]

When the commissioner or compensation judge or office of administrative hearings or the workers' compensation court of appeals has rendered (AN) a final order, decision, or award, or amendment to an order, decision, or award, it shall be filed immediately with the commissioner. (WHERE) If the commissioner, compensation judge, office of administrative hearings, or workers' compensation court of appeals has rendered (AN) a final order, decision, or award, or amendment thereto, the commissioner or the office of administrative hearings or the workers' compensation court of appeals shall immediately serve a copy upon every party in interest, together with a notification of the (TIME) date the (SAME) order was filed.

Sec. 125. Minnesota Statutes 1982, section 176.285, is amended to read:

176.285 [SERVICE OF PAPERS AND NOTICES.]

Service of papers and notices shall be by mail or (BY SUCH OTHER MEANS) otherwise as the commissioner (OF THE

DEPARTMENT OF LABOR AND INDUSTRY DIRECTS) *or the chief hearing examiner may by rule direct.* Where service is by mail, service is effected at the time mailed if properly addressed and stamped. If it is so mailed, it is presumed the paper or notice reached the party to be served. However, a party may show by competent evidence that (HE) *that party* did not receive it or that it had been delayed in transit for an unusual or unreasonable period of time. In case of (SUCH) non-receipt or delay, an allowance shall be made for the party's failure to assert a right within the prescribed time.

The commissioner (OF THE DEPARTMENT OF LABOR AND INDUSTRY) *and the chief hearing examiner* shall (KEEP A CAREFUL RECORD OF EACH SERVICE INCLUDING THE TIME WHEN MADE) *ensure that proof of service of all papers and notices served by their respective agencies is placed in the official file of the case.*

Sec. 126. [176.312] [AFFIDAVIT OF PREJUDICE.]

An affidavit of prejudice for cause may be filed by a party to the claim against a compensation judge, in the same manner as an affidavit of prejudice is filed pursuant to law or rule of district court. The filing of an affidavit of prejudice against a compensation judge has the same effect and shall be treated in the same manner as in district court.

Sec. 127. Minnesota Statutes 1982, section 176.321, subdivision 1, is amended to read:

Subdivision 1. [FILING, SERVICE.] Within (TWENTY) 20 days after (HE HAS BEEN SERVED WITH A COPY) *service of the petition, an adverse party (MAY) shall serve and file (A VERIFIED) an answer to the petition. (WHEN HE FILES THE ANSWER,)* The party shall (ALSO) serve a copy of the *answer on the petitioner or (HIS) the petitioner's attorney.*

(WITHIN FIVE DAYS AFTER HE HAS BEEN SERVED WITH A COPY OF THE ANSWER, THE PETITIONER MAY FILE A VERIFIED REPLY ADMITTING OR DENYING NEW MATTER SET FORTH IN THE ANSWER.)

Sec. 128. Minnesota Statutes 1982, section 176.331, is amended to read:

176.331 [AWARD BY DEFAULT.]

(WHERE) *If an adverse party (HAS FAILED) fails to file and serve an answer (, IF) and the petitioner presents proof of (SUCH) this fact, the commissioner or compensation judge (SHALL) may enter whatever award or order to which the petitioner is entitled on the basis of the facts alleged in the petition,*

but the compensation judge may require proof of an alleged fact. If the commissioner requires (SUCH) proof, (HE) *the commissioner* shall request the chief hearing examiner to assign the matter to a compensation judge (TO SUMMARILY HEAR AND DETERMINE THE SAME) *for an immediate hearing* and (TO PROMPTLY MAKE AN) *prompt award or other order*.

Where in (SUCH) a default case the petition does not state facts sufficient to support an award, the compensation judge shall give the petitioner or (HIS) *the petitioner's* attorney written notice of this deficiency. The petitioner may thereupon *serve and* file another petition as in the case of an original petition.

Sec. 129. Minnesota Statutes 1982, section 176.341, is amended to read:

176.341 [HEARING ON PETITION.]

Subdivision 1. [TIME.] (WHEN THE REPLY HAS BEEN FILED OR THE TIME HAS EXPIRED IN WHICH TO FILE A REPLY) *Upon receipt of a matter from the commissioner*, the chief hearing examiner shall fix a time and place for hearing the petition. The hearing shall be held as soon as practicable and at a time and place determined by the chief hearing examiner to be the most convenient for the parties, keeping in mind the intent of chapter 176 (AS EXPRESSED IN SECTION 176.001) and the requirements of section 176.306.

Subd. 2. [PLACE.] Unless otherwise ordered by the (COMMISSIONER OF THE DEPARTMENT OF LABOR AND INDUSTRY OR COMPENSATION JUDGE) *chief hearing examiner*, the hearing shall be held in the county where the injury or death occurred.

Subd. 3. [NOTICE MAILED TO EACH PARTY.] At least (FIVE) 30 days prior to the date of hearing, the (WORKERS' COMPENSATION DIVISION) *chief hearing examiner* shall mail a notice of the time and place of hearing to each interested party. *This subdivision does not apply to hearings which have been continued from an earlier date. In those cases, the notice shall be given in a manner deemed appropriate by the chief hearing examiner after considering the particular circumstances in each case.*

Sec. 130. Minnesota Statutes 1982, section 176.361, is amended to read:

176.361 [INTERVENTION.]

(WHERE) A person *who* has an interest in any matter before the workers' compensation court of appeals, or commissioner, or compensation judge (OF) such (A CHARACTER) that (HE) *the person* may either gain or lose by an order or decision (,

HE) may intervene in the proceeding by filing an application in writing stating the facts which show (SUCH) *the* interest.

The commissioner of the department of labor and industry and workers' compensation court of appeals shall adopt rules to govern the procedure for intervention.

Sec. 131. Minnesota Statutes 1982, section 176.371, is amended to read:

176.371 [AWARD OR DISALLOWANCE OF COMPENSATION.]

The compensation judge to whom a petition has been assigned for hearing, shall hear all competent, *relevant* evidence produced at the hearing (, AND, AS SOON AFTER THE HEARING AS POSSIBLE, MAKE FINDINGS OF FACT, CONCLUSIONS OF LAW,). *All questions of fact and law submitted to a compensation judge at the hearing shall be disposed of and the judge's decision shall be filed with the commissioner within 60 days after the submission, unless sickness or casualty prevents a timely filing, or the time is extended by written consent of the parties, or the chief hearing examiner extends the time for good cause. The compensation judge's decision shall include a determination of all contested issues of fact and law and an award or disallowance of compensation or other order as the pleadings, evidence, this chapter and rule require. A compensation judge's decision shall include a memorandum only if necessary to delineate the reasons for the decision or to discuss the credibility of witnesses. A memorandum shall not contain a recitation of the evidence presented at the hearing but shall be limited to the compensation judge's basis for the decision.*

No part of the salary of a compensation judge shall be paid unless the chief hearing examiner determines that all decisions of that judge have been issued within the time limit prescribed by this section.

Sec. 132. Minnesota Statutes 1982, section 176.421, subdivision 3, is amended to read:

Subd. 3. [NOTICE OF APPEAL.] The appellant or (HIS) *the appellant's* attorney shall prepare and sign a written notice of appeal specifying:

- (1) the order appealed from;
- (2) that appellant appeals from the order to the workers' compensation court of appeals;

(3) the particular finding of fact or conclusion of law which (HE) *the appellant* claims was unwarranted by the evidence or procured by fraud, coercion, or other improper conduct; and

(4) (THE TESTIMONY OR OTHER PART OF THE RECORD OF THE HEARING NECESSARY TO BE TRANSCRIBED IN ORDER FOR THE COURT OF APPEALS TO CONSIDER THE APPEAL; AND,)

((5)) any other ground upon which the appeal is taken.

Sec. 133. Minnesota Statutes 1982, section 176.421, subdivision 4, is amended to read:

Subd. 4. [SERVICE AND FILING OF NOTICE; COST OF TRANSCRIPT.] Within the 30 day period for taking an appeal, the appellant shall:

(1) Serve a copy of the notice of appeal on each adverse party;

(2) File the original notice, with proof of service by admission or affidavit, with the chief hearing examiner and file a copy with the commissioner;

(3) In order to defray the cost of the preparation of the record of the proceedings appealed from, pay to the state treasurer, office of administrative hearings account the sum of \$25; and

(4) Submit a request that the chief hearing examiner order the preparation of a transcript of (THAT PART OF) the hearing (DELINEATED IN THE NOTICE OF APPEAL).

(A PARTY WHO DESIRES A TRANSCRIPT OF MORE OF THE HEARING THAN HAS BEEN REQUESTED BY THE APPELLANT SHALL, WITHIN FIVE WORKING DAYS OF SERVICE OF THE NOTICE OF APPEAL, MAKE A REQUEST OF THE CHIEF HEARING EXAMINER THAT THE ADDITIONAL TESTIMONY BE TRANSCRIBED.)

The *first* party (REQUESTING THE PREPARATION OF THE TRANSCRIPT OR ANY PART) *to file an appeal* is liable for the *original* cost of preparation of the transcript. *Cross-appellants or any other persons requesting a copy of the transcript are liable for the cost of the copy.* The cost of a transcript prepared by a non-governmental source shall be paid directly to that source and shall not exceed the cost that the source would be able to charge the state for the same service.

Upon a showing of cause, the chief hearing examiner may direct that a transcript be prepared without expense to the party

requesting its preparation, in which case the cost of the transcript shall be paid by the office of administrative hearings.

All fees received by the office of administrative hearings for the preparation of the record for submission to the workers' compensation court of appeals or for the cost of transcripts prepared by the office shall be deposited in the office of administrative hearings account in the state treasury and shall be used solely for the purpose of keeping the record of hearings conducted under this chapter and the preparation of transcripts of those hearings.

Sec. 134. Minnesota Statutes 1982, section 176.421, subdivision 6, is amended to read:

Subd. 6. [POWERS OF WORKERS' COMPENSATION COURT OF APPEALS ON APPEAL.] On an appeal taken under this section, the workers' compensation court of (APPEALS) *appeals' review is limited to the issues raised by the parties in the notice of appeal or by a cross-appeal. In these cases, on those issues raised by the appeal, the workers' compensation court of appeals may:*

- (1) disregard the findings of fact which the compensation judge has made;
- (2) examine the record;
- (3) substitute for the findings of fact made by the compensation judge such findings as the total evidence requires; and,
- (4) make an award or disallowance of compensation or other order as the facts and findings require.

Sec. 135. Minnesota Statutes 1982, section 176.421, subdivision 7, is amended to read:

Subd. 7. [RECORD OF PROCEEDINGS.] At the division's own expense, the commissioner shall make a complete record of all proceedings before (HIMSELF.) the commissioner and shall provide a stenographer or an audio magnetic recording device to make (A) the record of the proceedings (BEFORE HIM).

The commissioner shall furnish a transcript of these proceedings to any person who requests it and who pays a reasonable charge (AND SHALL FIX THE AMOUNT OF THIS CHARGE) *which shall be set by the commissioner. Upon a showing of cause, the commissioner may direct that a transcript be prepared without expense to the person requesting the transcript, in which case the cost of the transcript shall be paid by the division. Transcript fees received under this subdivision shall be paid to the workers' compensation division account in the state treasury and*

shall be annually appropriated to the division for the sole purpose of providing a record and transcripts as provided in this subdivision.

Sec. 136. Minnesota Statutes 1982, section 176.442, is amended to read:

176.442 [APPEALS FROM DECISIONS OF COMMISSIONER (OF DEPARTMENT OF LABOR AND INDUSTRY).]

Any decision or determination of the commissioner (OF THE DEPARTMENT OF LABOR AND INDUSTRY) affecting a right, privilege, benefit, or duty which is imposed or conferred under this chapter is subject to review by the workers' compensation court of appeals. A person aggrieved by (SUCH) the determination may appeal to the workers' compensation court of appeals *by filing a notice of appeal with the commissioner* in the same manner and within the same time as if the appeal were from an order or decision of a compensation judge to the workers' compensation court of appeals.

Sec. 137. Minnesota Statutes 1982, section 176.461, is amended to read:

176.461 [SETTING ASIDE AWARD.]

Except (WHERE) *when* a writ of certiorari has been issued by the supreme court and the matter is still pending in that court or (WHERE) *if* as a matter of law the determination of the supreme court cannot be subsequently modified, the workers' compensation court of appeals, for cause, at any time after an award, upon application of either party and not less than five *working* days after written notice to all interested parties, may set the award aside and grant a new hearing and refer the matter for a determination on its merits to the chief hearing examiner for assignment to a compensation judge, who shall make (SUCH) findings of fact, conclusions of law, and *an order of award or disallowance of compensation or other order (AS) based on* the pleadings and the evidence produced and *as required by* the provisions of this chapter (SHALL REQUIRE) *or rules adopted under it.*

Sec. 138. Minnesota Statutes 1982, section 176.521, subdivision 2, is amended to read:

Subd. 2. [APPROVAL.] Settlements shall be approved only where the terms conform with this chapter.

The division, a compensation judge, the workers' compensation court of appeals, and the district court shall exercise discretion in approving or disapproving a proposed settlement.

The parties to the agreement of settlement have the burden of proving that the settlement is reasonable, fair, and in conformity with this chapter. A settlement agreement where both the employee or his dependent and the employer or insurer and intervenors in the matter are represented by an attorney shall be conclusively presumed to be reasonable, fair, and in conformity with this chapter *except when the settlement purports to be a full, final, and complete settlement of an employee's right to medical compensation under this chapter or rehabilitation under section 176.102. A settlement which purports to do so must be approved by the division, a compensation judge, or workers' compensation court of appeals.*

The conclusive presumption in this subdivision applies to a settlement agreement entered into on or after January 15, 1982, whether the injury to which the settlement applies occurred prior to or on or after January 15, 1982.

Sec. 139. Minnesota Statutes 1982, section 176.521, subdivision 2a, is amended to read:

Subd. 2a. [SETTLEMENTS NOT SUBJECT TO APPROVAL.] When a settled case is not subject to approval, upon receipt of the stipulation for settlement, a compensation judge (OR), a settlement judge, *or the workers' compensation court of appeals* shall immediately sign the award and file it with the commissioner. Payment pursuant to the award shall be made within 14 days after it is filed with the commissioner. The commissioner may correct mathematical or clerical errors at any time.

Sec. 140. Minnesota Statutes 1982, section 176.521, subdivision 3, is amended to read:

Subd. 3. [SETTING ASIDE AWARD UPON SETTLEMENT.] Notwithstanding *the provisions of section 176.521, subdivision 1, 2, or 2a, or any provision in the agreement of settlement to the contrary, upon the filing of a petition by any party to the settlement and after a hearing on the petition, the workers' compensation court of appeals may set aside an award made upon a settlement, pursuant to this chapter. In those cases, the workers' compensation court of appeals shall refer the matter to the chief hearing examiner for assignment to a compensation judge for hearing.*

Sec. 141. Minnesota Statutes 1982, section 176.561, is amended to read:

176.561 [WORKERS' COMPENSATION COURT OF APPEALS POWERS AND DUTIES AS TO STATE EMPLOYEES; PROCEDURE FOR DETERMINING LIABILITY.]

The division, a *compensation judge* and the workers' compensation court of appeals have the same powers and duties in matters relating to state employees as they have in relation to other employees.

Except as specifically provided otherwise (HEREIN) *in this chapter*, the procedure for determining the liability of the state for compensation is the same as that applicable in other cases.

Sec. 142. Minnesota Statutes 1982, section 176.571, subdivision 6, is amended to read:

Subd. 6. [FORMAL HEARING ON OBJECTIONS.] *If the commissioner (OF THE DEPARTMENT OF LABOR AND INDUSTRY SHALL HOLD) determines that a formal hearing on the objections which have been filed to the proposed order (WHERE THE CIRCUMSTANCES WARRANT SUCH) is warranted, the commissioner shall refer the matter to the chief hearing examiner for the assignment of a compensation judge who shall hold a hearing. (THE HEARING SHALL BE BEFORE A COMPENSATION JUDGE.)*

Sec. 143. Minnesota Statutes 1982, section 176.645, subdivision 1, is amended to read:

Subdivision 1. [AMOUNT.] For injuries occurring after October 1, 1975 for which benefits are payable under section 176.101, subdivisions 1, 2, 3a, and 4, and section 176.111, subdivision 5, the total benefits due the employee or any dependents shall be adjusted in accordance with this section. On October 1, 1981, and thereafter on the anniversary of the date of the employee's injury the total benefits due shall be adjusted by multiplying the total benefits due prior to each adjustment by a fraction, the denominator of which is the statewide average weekly wage for December 31, of the year two years previous to the adjustment and the numerator of which is the statewide average weekly wage for December 31, of the year previous to the adjustment. For injuries occurring after October 1, 1975, all adjustments provided for in this section shall be included in computing any benefit due under this section. Any limitations of amounts due for daily or weekly compensation under this chapter shall not apply to adjustments made under this section. No adjustment increase made on October 1, 1977 or thereafter under this section shall exceed six percent a year. In those instances where the adjustment under the formula of this section would exceed this maximum the increase shall be deemed to be six percent.

Sec. 144. Minnesota Statutes 1982, section 176.66, is amended by adding a subdivision to read:

Subd. 10. [MULTIPLE EMPLOYERS OR INSURERS; LIABILITY.] *The employer liable for the compensation for a*

personal injury under this chapter is the employer in whose employment the employee was last exposed to the hazard of the occupational disease claimed, if the employment was for six months or more, whether intermittent or consecutive. In the event that the employer who is liable for the compensation had multiple insurers during the employee's term of employment, the insurer or self-insurer who was on the risk during the employee's last exposure as defined in this subdivision to the hazard of the occupational disease claimed is the liable party.

Sec. 145. Minnesota Statutes 1982, section 176.66, is amended by adding a subdivision to read:

Subd. 11. [AMOUNT OF COMPENSATION.] The compensation for an occupational disease shall be 66-2/3 percent of the employee's weekly wage on the date of last exposure to the hazard in the employment of the liable employer as defined in subdivision 10 of the occupational disease claimed, subject to a maximum compensation equal to the maximum compensation in effect on the date of the last exposure provided that the employee shall be immediately eligible for supplementary benefits if that employee's compensation is less than 65 percent of the statewide average weekly wage.

Sec. 146. [176.83] [RULES.]

In addition to any other section under this chapter giving the commissioner the authority to adopt rules, the commissioner may adopt, amend, or repeal rules to implement the provisions of this chapter. The rules shall have the force and effect of law and are binding on a compensation judge, workers' compensation court of appeals, the rehabilitation review panel, and the medical services advisory board and shall include but not be limited to:

(a) rules necessary to implement and administer section 176.102, including the establishment of qualifications necessary to be a qualified rehabilitation consultant and the requirements to be an approved registered vendor of rehabilitation services including registration fees to be paid by rehabilitation consultants and approved vendors under section 176.102. Registration fees set by the commissioner shall be set so that the total fees received approximate the amount appropriated for the function, plus the portion of general support costs and statewide indirect costs of the agency that is attributable to the function for which the fee is charged. Subsequent fee adjustments may be made without a public hearing when the total fees estimated to be received during the fiscal biennium will not exceed the sum of all direct appropriations, indirect costs, transfers in, and salary supplements for that purpose for the biennium. The rules may also provide for penalties to be imposed by the commissioner against insurers or self-insured employers who fail to provide rehabilitation consultation to employees pursuant to section 176.-

102. These rules may also establish criteria regarding "reasonable moving expenses" under the section. The rules may also establish criteria, guidelines, methods, or procedures to be met by an employer or insurer in providing the initial rehabilitation consultation pursuant to this chapter which would permit the initial consultation to be provided by an individual other than a qualified rehabilitation consultant, provided that in absence of such rules this consultation shall be conducted pursuant to the provisions of this chapter governing rehabilitation consultation;

(b) rules establishing standards for reviewing and evaluating the clinical consequences of services provided by qualified rehabilitation consultants, approved registered vendors of rehabilitation services, and services provided to an employee by health care providers;

(c) rules establishing standards and procedures for determining whether or not charges for health services or rehabilitation services rendered under this chapter are excessive. In this regard, the standards and procedures shall be structured to determine what is necessary to encourage providers of health services and rehabilitation services to develop and deliver services for the rehabilitation of injured employees.

The procedures shall include standards for evaluating hospital care, other health care and rehabilitation services to insure that quality hospital, other health care, and rehabilitation is available and is provided to injured employees;

(d) rules establishing standards and procedures for determining whether a provider of health care services and rehabilitation services, including a provider of medical, chiropractic, podiatric, surgical, hospital or other services, is performing procedures or providing services at a level or with a frequency that is excessive, based upon accepted medical standards for quality health care and accepted rehabilitation standards.

If it is determined by the commissioner that the level, frequency or cost of a procedure or service of a provider is excessive according to the standards established by the rules, the provider shall not be paid for the excessive procedure, service, or cost by an insurer, self-insurer, or group self-insurer. In addition, the provider shall not be reimbursed or attempt to collect reimbursement for the excessive procedure, service, or cost from any other source, including the employee, another insurer, the special compensation fund, or any government program.

A health or rehabilitation provider who is determined by the commissioner to be consistently performing procedures or providing services at an excessive level or cost may be prohibited from receiving any further reimbursement for procedures or services provided under chapter 176. A prohibition imposed on a

provider under this clause may be grounds for revocation or suspension of the provider's license or certificate of registration to provide health care or rehabilitation service in Minnesota by the appropriate licensing or certifying body.

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

(e) rules establishing procedures and standards for the certification of physicians, chiropractors, podiatrists, and other health care providers, including rules related to additional training and continuing education, in order to assure the coordination of treatment, rehabilitation, and other services and requirements of chapter 176 for carrying out the purposes and intent of this chapter;

(f) rules necessary for implementing and administering the provisions of sections 176.001, 176.131, 176.132, 176.134, 176.242, 176.243, 176.251, 176.66 to 176.669, and rules regarding proper allocation of compensation under section 176.111;

(g) procedures required for the implementation and administration of section 176.129 including, but not limited to, determining the method by which an employer will be assessed for payments due under section 176.129, subdivision 3, and the amount of the assessment. In adopting the rule regarding the assessment, the commissioner shall consider among other things, the expenditures to be made from the fund in the next calendar year, the current fund balance, and future expenditure trends;

(h) rules establishing standards or criteria under which a physician, podiatrist, or chiropractor is selected or under which a change of physician, podiatrist, or chiropractor is allowed under section 176.135, subdivision 2;

(i) rules to govern the procedure for intervention pursuant to section 176.361;

(j) joint rules with either or both the workers' compensation court of appeals and the chief hearing examiner which may be necessary in order to provide for the orderly processing of claims or petitions made or filed pursuant to chapter 176;

(k) rules establishing criteria to be used by the division, compensation judge, and workers' compensation court of appeals to determine "independent contractor";

(l) rules necessary for implementation of the provisions of section 176.101, subdivision 3, shall include the provisions contained in the Manual for Orthopaedic Surgeons in Evaluating

Permanent Physical Impairment, published by the American Academy of Orthopaedic Surgeons, which are in effect as of the effective date of this act. The provisions adopted by reference herein shall be effective the same day as the provisions of section 176.101, subdivision 3.

(m) forms and other reporting procedures to be used by an employer, insurer, medical provider, qualified rehabilitation consultant, approved vendor of rehabilitation services, attorney, employee, or other person subject to the provisions of this chapter; or

(n) any other rules necessary to implement, administer, or clarify the intent of a provision of chapter 176 which are not inconsistent with the law.

The chief hearing examiner shall adopt rules relating to procedures in matters pending before a compensation judge in the office of administrative hearings.

The commissioner may adopt rules regarding requirements which must be met by individuals who are employed by insurers or self-insurers or claims servicing or adjusting agencies and who work as claims adjusters in the field of workers' compensation insurance.

The commissioner may adopt temporary rules establishing qualifications necessary to be a qualified rehabilitation consultant and penalties to be imposed against qualified rehabilitation consultants or approved vendors who violate this chapter or rules, including temporary rules, adopted under this chapter. In addition to the provisions of sections 14.29 to 14.36, at least one public hearing shall be held prior to the adoption of these temporary rules.

Sec. 147. [176.84] [SPECIFICITY OF NOTICE OR STATEMENT.]

All notices or statements required by this chapter including, but not limited to, notices or statements pursuant to sections 176.102, 176.103, 176.221, 176.241, 176.242, and 176.243, shall be sufficiently specific to convey clearly, without further inquiry, the basis upon which the party issuing the notice or statement is acting. If the commissioner or compensation judge determines that a notice or statement is not sufficiently specific to meet the standard under this section, the notice or statement may be rejected as unacceptable and the party issuing it shall be informed of this. The rejected notice or statement may be amended to meet the requirement of this section or a new one may be filed.

Sec. 148. [176.85] [PENALTIES; APPEALS.]

Subdivision 1. [APPEAL PROCEDURE.] If the commissioner has assessed a penalty against a party subject to this chapter and the party believes the penalty is not warranted, the party may request that a formal hearing be held on the matter. Upon a request for a hearing the commissioner shall refer the matter to the chief hearing examiner for assignment to a compensation judge or hearing examiner.

The chief hearing examiner shall keep a record of the proceeding and provide a record pursuant to section 176.421.

The decision of the compensation judge or hearing examiner shall be final and shall be binding and enforceable. The decision may be appealed to the workers' compensation court of appeals.

Subd. 2. [EXCEPTION.] This section does not apply to penalties for which another appeal procedure is provided, including but not limited to penalties imposed pursuant to sections 176.102 or 176.103.

Subd. 3. [HEARING COSTS.] For purposes of this section, a hearing before a hearing examiner shall be treated in the same manner as a hearing before a compensation judge and no costs may be charged to the commissioner for the hearing, regardless of who hears it.

Sec. 149. Minnesota Statutes 1982, section 268.08, subdivision 3, is amended to read:

Subd. 3. [NOT ELIGIBLE.] An individual shall not be eligible to receive benefits for any week with respect to which he is receiving, has received, or has filed a claim for remuneration in an amount equal to or in excess of his weekly benefit amount in the form of

(1) termination, severance, or dismissal payment or wages in lieu of notice whether legally required or not; provided that if a termination, severance, or dismissal payment is made in a lump sum, the employer may allocate such lump sum payment over a period equal to the lump sum divided by the employee's regular pay while employed by such employer; provided, any such payment shall be applied for a period immediately following the last day of work but not to exceed 28 calendar days; or

(2) vacation allowance paid directly by the employer for a period of requested vacation, including vacation periods assigned by the employer under the provisions of a collective bargaining agreement, or uniform vacation shutdown; or

(3) compensation for loss of wages under the workers' compensation law of this state or any other state or under a similar law of the United States, or under other insurance or fund es-

established and paid for by the employer *except that this does not apply to an individual who is receiving temporary partial compensation pursuant to section 176.101, subdivision 3j; or*

(4) 50 percent of the pension payments from any fund, annuity or insurance maintained or contributed to by a base period employer including the armed forces of the United States if the employee contributed to the fund, annuity or insurance and all of the pension payments if the employee did not contribute to the fund, annuity or insurance; or

(5) 50 percent of a primary insurance benefit under Title II of the social security act as amended, or similar old age benefits under any act of congress or this state or any other state.

Provided, that if such remuneration is less than the benefits which would otherwise be due under sections 268.03 to 268.24, he shall be entitled to receive for such week, if otherwise eligible, benefits reduced by the amount of such remuneration; provided, further, that if the appropriate agency of such other state or the federal government finally determines that he is not entitled to such benefits, this provision shall not apply.

Sec. 150. Minnesota Statutes 1982, section 471.982, subdivision 2, is amended to read:

Subd. 2. The commissioner of insurance is authorized to (PROMULGATE) *adopt* administrative rules, including emergency rules pursuant to sections 14.01 to 14.70. These rules may provide standards or guidelines governing the formation, operation, administration, dissolution of self insurance pools, and other reasonable requirements to further the purpose of this section (AND). *In developing the rules under this section, the commissioner shall (AT A MINIMUM REQUIRE) consider* the following:

(a) *The requirements for self-insuring pools of political subdivisions shall be no more nor less restrictive than the requirements for self-insuring pools of private employers;*

(b) All participants in the pool are jointly and severally liable for all claims and expenses of the pool;

((B)) (c) Each pool shall contract with a service company licensed by the commissioner to provide or contract for all administrative services required by the pool. No vendor of risk management services or entity administering a self insurance plan under this section may transact such business in this state unless it is licensed to do so by the commissioner. An applicant for a license shall state in writing the type of activities it seeks authorization to engage in and the type of services it seeks authorization to provide. The license shall be granted only when the commissioner is satisfied that the entity possesses the necessary

organization, background, expertise, and financial integrity to supply the services sought to be offered. The commissioner may issue a license subject to restrictions or limitations upon the authorization, including the type of services which may be supplied or the activities which may be engaged in. The license fee shall be \$100. All licenses shall be for a period of two years;

((C)) (d) The service company has sole responsibility for the settlement of all claims against the pool or its members for which the pool may provide indemnification;

((D)) (e) A minimum premium volume for each pool shall be established. The minimum premium volume may differ because of the kinds of coverage provided, and the limits of liability for the coverage;

((E)) (f) All premiums or other assessments due to the pool from members shall be payable prior to the period for which coverage is being provided, or at equal intervals throughout the period;

((F)) (g) Premiums shall (EITHER) be (ESTABLISHED BY AN ACTUARY APPROVED BY THE COMMISSIONER OR SHALL BE PREMIUMS FILED BY A LICENSED RATE SERVICE ORGANIZATION WITH REDUCTIONS PERMITTED SOLELY FOR ADMINISTRATIVE OR PREMIUM TAX SAVINGS) *neither excessive, inadequate, nor unfairly discriminatory*;

((G)) (h) The commissioner may require each pool to purchase excess insurance above certain limits and in a particular form. The limits or form of the excess insurance may differ based on the kinds of coverage offered by a pool, the limits of liability of the coverage, and the revenues available to pool members for the payment of premiums or assessments;

((H)) (i) Each pool shall be audited annually by a certified public accountant;

((I)) (j) *Whether* limitations on the payment of dividends to pool members (MAY BE ESTABLISHED AS) *are* necessary to assure the solvency of the pool;

((J)) (k) No participant may withdraw from a pool for a period of at least three years after its initial entry into the pool;

((K)) (l) The amount of any liabilities in excess of assets shall be assessed to members of the pool within 30 days after a deficiency is identified and shall be payable by the member within 90 days;

((L)) (m) The investment policies of the pool shall be governed by the laws governing investments by cities pursuant to section 475.66;

((M)) (n) Pools shall be subject to the standards of unfair methods of competition and unfair or deceptive acts or practices established in chapter 72A;

((N)) (o) Other requirements that are necessary to protect the solvency of the pool, the rights and privileges of claimants against the pool, and citizens of the members of the pool shall be included in the rules.

Sec. 151. [CITY OF DULUTH; GROUP WORKER'S COMPENSATION SELF INSURANCE POOLS.]

Subdivision 1. [PILOT STATE FUND.] Notwithstanding any contrary provision of other law, ordinance, or charter, the city of Duluth may enter into a self insurance pool with private employers located in the city of Duluth to self insure workers' compensation liability of pool members. Any pool formed pursuant to this section shall be operated under bylaws established by members of the pool. The initial bylaws and amendments to them shall not be effective unless approved by the city of Duluth and the commissioner of insurance. The bylaws shall address the following subjects:

(a) *Qualifications for group self insurer membership, including underwriting standards.*

(b) *The method of selecting the board of directors, including the directors' terms of office.*

(c) *The procedure for amending the bylaws or plan of operation.*

(d) *Investment of assets of the fund.*

(e) *Frequency and extent of loss control or safety engineering services provided to members.*

(f) *A schedule for payment and collection of premiums.*

(g) *Expulsion procedures, including expulsion for nonpayment of premiums and expulsion for excessive losses.*

(h) *Delineation of authority granted to the administrator.*

(i) *Delineation of authority granted to the service company.*

(j) *Basis for determining premium contributions by members including any experience rating program.*

(k) *Procedures for resolving disputes between members of the group, which shall not include submitting them to the commissioner.*

(l) *Basis for determining distribution of any surplus to the members, or assessing the membership to make up any deficit.*

(m) *Provisions for security to be furnished by private employers to insure assessments are paid in case of private employer insolvency.*

The members participating in the pool may establish a joint board with appropriate powers to manage the pool. Each member of the pool shall pay to the pool the amounts assessed against it pursuant to the bylaws. A member may withdraw only after it has reimbursed the pool for the amounts for which it is obligated under the terms of the agreement.

Subd. 2. [APPROVAL OF COMMISSIONER.] A pool formed pursuant to this section shall not be effective or begin operation until it has been approved by the commissioner of insurance in the manner provided in Minnesota Statutes, section 471.982. Section 471.982 and any applicable rules adopted pursuant to it shall apply to any pool formed pursuant to this section. A pool formed pursuant to this section shall be a member of the workers' compensation reinsurance association and shall be bound by its plan of operation.

Sec. 152. [APPROPRIATIONS; COMPLEMENT INCREASE.]

Subdivision 1. [DEPARTMENT OF LABOR AND INDUSTRY.] (a) There is appropriated to the department of labor and industry for the fiscal years ending June 30 of the year indicated from the general fund in the state treasury:

1984	1985
\$2,159,901	\$2,516,169

The approved complement of the department of labor and industry is increased by 103 of which 3.8 shall be federally funded. The increased complement shall be allocated as follows:

- (1) *workers' compensation administration, 1;*
- (2) *records and compliance, 15;*

- (3) *rehabilitation service, 20;*
- (4) *legal services, 1;*
- (5) *settlement and docket, 3;*
- (6) *mediation and arbitration, 6;*
- (7) *research and education, 15;*
- (8) *information management service, 6;*
- (9) *state employee fund, 6;*
- (10) *occupational safety and health consultation, 2;*
- (11) *general support, 9; and*
- (12) *special compensation fund, 19.*

The appropriation provided by this clause (a) is for the purpose of paying for the increased complement and expenses related to their duties.

(b) There is appropriated to the department of labor and industry for the fiscal years ending June 30 of the year indicated from the general fund in the state treasury:

1984	1985
\$437,500	\$375,000

The appropriation provided by this clause (b) is for the purpose of paying the state's premium to the workers' compensation reinsurance association.

(c) There is appropriated to the department of labor and industry for the fiscal years ending June 30 of the year indicated from the general fund in the state treasury:

1984	1985
\$476,985	\$449,855

The funds appropriated by this clause (c) are to be deposited in the special compensation fund to pay the expenses of the increased complement provided for the fund by clause (a) and expenses related to their duties.

Subd. 2. [OFFICE OF ADMINISTRATIVE HEARINGS.] There is appropriated to the office of administrative hearings

for the fiscal years ending June 30 of the year indicated from the general fund in the state treasury:

1984	1985
\$127,400	\$130,050

The approved complement of the office of administrative hearings is increased by four. The appropriation provided by this subdivision is for the purpose of paying for the increased complement and expenses related to their duties.

Subd. 3. [INSURANCE DIVISION.] There is appropriated to the department of commerce for its insurance division for the fiscal years ending June 30 of the year indicated from the general fund in the state treasury:

1984	1985
\$230,818	\$239,620

The approved complement of the insurance division of the department of commerce is increased by seven. The appropriation provided by this subdivision is for the purpose of paying for the increased complement and expense related to their duties.

Subd. 4. [ATTORNEY GENERAL.] There is appropriated to the office of the attorney general for the fiscal years ending June 30 of the year indicated from the general fund in the state treasury:

1984	1985
\$204,500	\$206,062

The approved complement of the office of attorney general is increased by six. The appropriation provided by this subdivision is for the purpose of providing for the increased complement and expenses related to their duties.

Sec. 153. [REPEALER.]

Minnesota Statutes 1982, sections 175.07; 175.101, subdivision 3; 175.36; 176.102, subdivision 12; 176.131, subdivisions 9, 10, 11, and 12; 176.152; and 176.262 are repealed.

Sec. 154. [SEVERABILITY.]

If any provision of this act is found to be unconstitutional and void, the remaining provisions of the act shall remain valid, unless the court finds the valid provisions of the act are so essentially and inseparably connected with, and so dependent upon, the void provisions that the court cannot presume the

legislature would have enacted the remaining valid provisions without the void one; or unless the court finds the remaining valid provisions, standing alone, are incomplete and are incapable of being executed in accordance with the legislative intent."

Delete the title and insert:

"A bill for an act relating to workers' compensation; providing for comprehensive reform of all aspects of workers' compensation; providing penalties; appropriating money; amending Minnesota Statutes 1982, sections 79.071, subdivision 1; 79.34, subdivisions 1, 2, and by adding a subdivision; 79.35; 79.37; 79.51, subdivisions 2 and 3; 175.006, subdivision 1; 175.007, subdivision 1; 175.08; 175.10; 175.101, subdivisions 1 and 2; 176.001; 176.011, by adding subdivisions; 176.012; 176.021, subdivisions 1a and 3; 176.041, subdivision 1; 176.061; 176.101, subdivisions 2, 3, 6, and by adding subdivisions; 176.102, subdivisions 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, and by adding subdivisions; 176.105, by adding a subdivision; 176.111, subdivisions 6, 7, 8, 18, and by adding a subdivision; 176.121; 176.131, subdivisions 1, 1a, 2, 3, 4, 5, 6, 7, and 8; 176.132, subdivision 1, and by adding a subdivision; 176.134, subdivision 4; 176.135, subdivisions 1 and 3; 176.136; 176.155, subdivisions 3 and 5; 176.179; 176.182; 176.183, subdivisions 1, 1a, and by adding subdivisions; 176.185, by adding a subdivision; 176.191, by adding subdivisions; 176.195, subdivision 2, and by adding subdivisions; 176.221; 176.225, subdivisions 1, 2, and 3; 176.231, subdivisions 3, 4, 5, 9, and 10; 176.241; 176.271, by adding a subdivision; 176.281; 176.285; 176.321, subdivision 1; 176.331; 176.341; 176.361; 176.371; 176.421, subdivisions 3, 4, 6, and 7; 176.442; 176.461; 176.521, subdivisions 2, 2a, and 3; 176.561; 176.571, subdivision 6; 176.645, subdivision 1; 176.66, by adding subdivisions; 268.08, subdivision 3; and 471.982, subdivision 2; Laws 1981, chapter 346, section 145; proposing new law coded in Minnesota Statutes, chapter 176; repealing Minnesota Statutes 1982, sections 175.07; 175.101, subdivision 3; 175.36; 176.102, subdivision 12; 176.131, subdivisions 9, 10, 11, and 12; 176.152; and 176.262."

A roll call was requested and properly seconded.

CALL OF THE HOUSE

On the motion of Anderson, G., and on the demand of 10 members, a call of the House was ordered. The following members answered to their names:

Anderson, B.	Bennett	Burger	Cohen	Elioff
Anderson, G.	Bergstrom	Carlson, D.	Coleman	Ellingson
Anderson, R.	Berkelman	Carlson, L.	Dempsey	Erickson
Battaglia	Bishop	Clark, J.	DenOuden	Evans
Beard	Blatz	Clark, K.	Dimler	Findlay
Begich	Brinkman	Clawson	Eken	Fjoslien

Forsythe	Knickerbocker	Neuenschwander	Rodriguez, C.	Swanson
Frerichs	Knuth	O'Connor	Rodriguez, F.	Thiede
Graba	Kostohryz	Ogren	Rose	Tunheim
Greenfield	Krueger	Olsen	St. Onge	Uphus
Gruenes	Kvam	Omann	Sarna	Valan
Gustafson	Larsen	Onnen	Schafer	Valento
Gutknecht	Levi	Osthoff	Schoenfeld	Vellenga
Halberg	Long	Otis	Schreiber	Voss
Haukoos	Ludeman	Pauly	Seaberg	Waltman
Heap	Mann	Peterson	Segal	Welch
Heinitz	Marsh	Piepho	Shaver	Welker
Himle	McDonald	Piper	Shea	Welle
Hoberg	McEachern	Price	Sherman	Wenzel
Hoffman	McKasy	Quinn	Simoneau	Wigley
Hokr	Metzen	Quist	Skoglund	Wynia
Jennings	Minne	Redalen	Solberg	Zaffke
Jensen	Munger	Reif	Sparby	Speaker Sieben
Johnson	Murphy	Rice	Stadum	
Kahn	Nelson, D.	Riveness	Staten	
Kalis	Nelson, K.	Rodosovich	Sviggum	

Eken 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.

The question recurred on the Stadum amendment and the roll was called.

Eken moved that those not voting be excused from voting. The motion did not prevail.

Eken moved that those not voting be excused from voting. The motion prevailed.

There were 49 yeas and 83 nays as follows:

Those who voted in the affirmative were:

Bennett	Forsythe	Johnson	Pauly	Sviggum
Bishop	Frerichs	Knickerbocker	Piepho	Thiede
Blatz	Gruenes	Kvam	Quist	Uphus
Burger	Gutknecht	Levi	Reif	Valan
Dempsey	Halberg	Ludeman	Rose	Valento
DenOuden	Haukoos	Marsh	Schafer	Waltman
Dimler	Heap	McKasy	Seaberg	Welker
Erickson	Himle	Olsen	Shaver	Wigley
Findlay	Hokr	Omann	Sherman	Zaffke
Fjoslien	Jennings	Onnen	Stadum	

Those who voted in the negative were:

Anderson, B.	Brinkman	Eken	Hoberg	Krueger
Anderson, G.	Carlson, D.	Elioff	Jacobs	Larsen
Anderson, R.	Carlson, L.	Ellingson	Jensen	Long
Battaglia	Clark, J.	Evans	Kahn	Mann
Beard	Clark, K.	Graba	Kalis	McDonald
Begich	Clawson	Greenfield	Kelly	McEachern
Bergstrom	Cohen	Gustafson	Knuth	Metzen
Berkelman	Coleman	Heinitz	Kostohryz	Minne

Munger	Otis	Rodriguez, C.	Simoneau	Vellenga
Murphy	Peterson	Rodriguez, F.	Skoglund	Voss
Nelson, D.	Piper	St. Onge	Solberg	Welch
Nelson, K.	Price	Sarna	Sparby	Welle
Neuenschwander	Quinn	Scheid	Staten	Wenzel
Norton	Redalen	Schoenfeld	Swanson	Wynia
O'Connor	Rice	Schreiber	Tomlinson	Speaker Sieben
Ogren	Riveness	Segal	Tunheim	
Osthoff	Rodosovich	Shea	Vanasek	

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

Shea; Anderson, G., and Heinitz moved to amend H. F. No. 575, as follows:

Page 1, after line 10, insert "Article 1"

Page 5, after line 19, insert:

"ARTICLE 2

Section 1. Minnesota Statutes 1982, section 43A.23, is amended by adding a subdivision to read:

Subd. 3. [CONTRACT WITH INSURANCE CARRIERS.] The commissioner of labor and industry may contract with carriers authorized to provide coverage under the state employees group insurance plan to extend coverage to eligible employees who incur medical expenses due to a personal injury resulting from their state employment which are compensable under chapter 176.

Sec. 2. Minnesota Statutes 1982, section 79.071, subdivision 1, is amended to read:

Subdivision 1. The commissioner shall adopt a schedule of workers' compensation insurance rates for use in this state for each classification under which business is written until January 1, (1986) 1984. The schedule of rates shall not be excessive, inadequate, or unfairly discriminatory. In adopting a schedule of rates, the commissioner may act on the written petition of the association or any other interested party requesting that a hearing be held for modification of the schedule of rates. The commissioner may include the expense of a reasonable charge for the services of an agent of record, for the service of rejected risks as set forth in sections 79.24 to 79.27.

Sec. 3. Minnesota Statutes 1982, section 79.211, subdivision 1, is amended to read:

Subdivision 1. [CERTAIN WAGES EXCLUDED FOR RATE MAKING.] The rating association or an insurer shall

not include wages paid for a vacation, holiday, or sick leave in the determination of a workers' compensation insurance premium. *An insurer shall not include that portion of an employee's wages which exceeds 1-1/2 times the maximum temporary total compensation allowed pursuant to section 176.101, subdivision 1, in the determination of a workers' compensation insurance premium provided that this limitation may be waived by an employer.*

Sec. 4. Minnesota Statutes 1982, section 79.251, is amended to read:

79.251 [ADMINISTRATION OF ASSIGNED RISK PLAN.]

Subdivision 1. [ASSIGNED RISK PLAN REVIEW BOARD.] (1) An assigned risk plan review board is created for the purposes of review of the operation of sections (79.24 TO 79.27) 5 and 79.251. The board shall have all the usual powers and authorities necessary for the discharge of its duties under this section and may contract with individuals in discharge of those duties.

(2) The board shall consist of (FIVE) *six* members to be appointed by the commissioner of insurance. (TWO) *Three* members shall be insureds holding policies or contracts of coverage issued pursuant to (SECTION 79.25) *subdivision 4*. Two members shall be (MEMBERS OF THE ASSOCIATION) *insurers licensed pursuant to section 60A.06, subdivision 1, clause (5)(b)*. The commissioner shall be the (FIFTH) *sixth* member and shall not vote.

Initial appointments shall be made by September 1, 1981, and terms shall be for three years duration. Removal, the filling of vacancies and compensation of the members other than the commissioner shall be as provided in section 15.059.

(3) The assigned risk *plan* review board shall audit the reserves established (BY INSURERS) (a) for individual cases arising under policies and contracts of coverage issued under (SECTION 79.25) *subdivision 4* and (b) for the total book of business issued under (SECTION 79.25) *subdivision 4*.

(4) The assigned risk *plan* review board shall monitor the operations of sections (79.24 TO 79.27) 5 and 79.251 and shall periodically make recommendations to the commissioner, and to the governor and legislature when appropriate, for improvement in the operation of those sections.

(5) All (MEMBERS OF THE ASSOCIATION) *insurers and self-insurance administrators* issuing policies or contracts under (SECTION 79.25) *subdivision 4* shall pay and the commissioner shall receive and disburse, on behalf of the board, a .25 percent assessment on premiums for policies and contracts of coverage

issued under (SECTION 79.25) *subdivision 4* for the purpose of defraying the costs of the assigned risk plan review board.

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

Subd. 2. [APPROPRIATE MERIT RATING PLAN.] The commissioner shall develop an appropriate merit rating plan which shall be applicable to all insureds holding policies or contracts of coverage issued pursuant to (SECTION 79.25 WHOSE PREMIUM IS LESS THAN THE AMOUNT NECESSARY TO QUALIFY FOR EXPERIENCE RATING) *subdivision 4* and to the insurers or self-insurance administrators issuing those policies or contracts. The plan shall provide a maximum merit (PAYMENT) adjustment equal to ten percent of earned premium. The actual (PAYMENT) adjustment may vary with insured's loss experience.

Subd. 3. [RATES.] *Insureds served by the assigned risk plan shall be charged premiums based upon a rating plan, including a merit rating plan adopted by the commissioner by rule. The commissioner shall annually, not later than July 1 of each year, establish the schedule of rates applicable to assigned risk plan business. Assigned risk premiums shall not be lower than rates generally charged by insurers for the business. The commissioner shall fix the compensation received by the agent of record.*

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

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

this state during the preceding calendar year by all licensed insurers.

Sec. 5. [79.252] [ASSIGNED RISK PLAN.]

Subdivision 1. [PURPOSE.] The purpose of the assigned risk plan is to provide workers' compensation coverage to employers rejected by a licensed insurance company, pursuant to subdivision 2.

Subd. 2. [REJECTED RISKS.] An insurer that refuses to write insurance for an employer shall furnish the employer a written notice of refusal. The employer shall file a copy of the notice of refusal with the data service organization under contract with the commissioner pursuant to section 79.251, subdivision 4.

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

Subd. 4. [RESPONSIBILITIES.] Assigned risk policies and contracts of coverage shall be subject to premium tax pursuant to section 60A.15, and special compensation fund assessments pursuant to section 176.131, subdivision 10. The assigned risk plan shall be a member of the reinsurance association for the purposes of sections 79.34 to 79.40 and shall be deemed to have selected the higher retention limit provided in section 79.34, subdivision 2.

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

Sec. 6. Minnesota Statutes 1982, section 79.34, subdivision 1, is amended to read:

Subdivision 1. A nonprofit association known as the workers' compensation reinsurance association is created, which may be incorporated under chapter 317 with all the powers of a corporation formed under that chapter, except that if the provisions of that chapter are inconsistent with sections 79.34 to 79.40 or any amendments thereto, sections 79.34 to 79.40 shall govern. Each insurer as defined by section 79.01, subdivision 2, shall as a condition of its authority to transact workers' compensation insurance in this state, be a member of the reinsurance association and shall be bound by the plan of operation of the reinsurance association; provided, that all affiliated insurers within a holding company system as defined in sections 60D.01 to 60D.13 shall be considered a single entity for purposes of the exercise

of all rights and duties of membership in the reinsurance association. Each self-insurer approved pursuant to section 176.181 and each political subdivision which self-insurers shall, as a condition of its authority to self-insure workers' compensation liability in this state, be a member of the reinsurance association and shall be bound by its plan of operation; provided, that (a) all affiliated companies within a holding company system, as determined by the commissioner in a manner consistent with the standards and definitions in sections 60D.01 to 60D.13, shall be considered a single entity for purposes of the exercise of all rights and duties of membership in the reinsurance association, and (b) all group self-insurers granted authority to self-insure pursuant to section 176.181 shall be considered a single entity for purposes of the exercise of all the rights and duties of membership in the reinsurance association. *As a condition of its authority to self-insure workers' compensation liability, and for losses incurred on or after January 1, 1984, the state shall be a member of the reinsurance association and is bound by its plan of operation. The commissioner of labor and industry represents the state in the exercise of all the rights and duties of membership in the reinsurance association. The state treasurer shall pay the premium to the reinsurance association from the state compensation revolving fund upon warrants of the commissioner of labor and industry. For the purposes of this section "state" means the administrative branch of state government, the legislative branch, the judicial branch, the University of Minnesota, and any other entity whose workers' compensation liability is paid from the state revolving fund. The commissioner may calculate, prorate, and charge a department or agency the portion of premiums paid to the reinsurance association for employees who are paid wholly or in part by federal funds, dedicated funds, or special revenue funds. The reinsurance association (SHALL) is not (BE DEEMED) a state agency. Actions of the reinsurance association and its board of directors and actions of the commissioner of insurance with respect to the reinsurance association (SHALL) are not (BE) subject to (CHAPTER) chapters 13, 14, and 15. The reinsurance association (SHALL BE) is exempt from taxation under the laws of this state and all property owned by the association (SHALL BE) is exempt from taxation. The reinsurance association (SHALL) is not (BE) obligated to make any payments or pay any assessments to any funds or pools established pursuant to this chapter or chapter 176 or any other law.*

Sec. 7. Minnesota Statutes 1982, section 79.34, subdivision 2, is amended to read:

Subd. 2. The reinsurance association shall provide and each member shall accept indemnification for 100 percent of the amount of ultimate loss sustained in each loss occurrence relating to one or more claims arising out of a single compensable event, including aggregate losses related to a single event or occurrence which constitutes a single loss occurrence, under chapter 176 on and after October 1, 1979, in excess of \$300,000

or \$100,000 retention limit, at the option of the member. In case of occupational disease causing disablement on and after October 1, 1979, each person suffering such disablement shall be considered to be involved in a separate loss occurrence. The (LESSER) lower retention limit shall be increased to the nearest \$10,000, on January 1, 1982 and on each January 1 thereafter by the percentage increase in the statewide average weekly wage, as determined in accordance with section 176.011, subdivision 20. On January 1, 1982 and on each January 1 thereafter, the (GREATER) higher retention limit shall be increased by the amount necessary to retain a \$200,000 difference between the two retention limits. Ultimate loss as used in this section means the actual loss amount which a member is obligated to pay and which is paid by the member for workers' compensation benefits payable under chapter 176 and shall not include claim expenses, assessments, damages or penalties. *For losses incurred on or after January 1, 1979, any amounts paid by a member pursuant to sections 176.183, 176.221, 176.225, and 176.82 shall not be included in ultimate loss and shall not be indemnified by the reinsurance association.* A loss is incurred by the reinsurance association on the date on which the accident or other compensable event giving rise to the loss occurs, and a member is liable for a loss up to its retention limit in effect at the time that the loss was incurred, except that members which are determined by the reinsurance association to be controlled by or under common control with another member, and which are liable for claims from one or more employees entitled to compensation for a single compensable event, including aggregate losses relating to a single loss occurrence, may aggregate their losses and obtain indemnification from the reinsurance association for the aggregate losses in excess of the higher retention limit in effect at the time the loss was incurred. Each member is liable for payment of its ultimate loss and shall be entitled to indemnification from the reinsurance association for the ultimate loss in excess of the member's retention limit in effect at the time of the loss occurrence.

A member that chooses the higher retention limit shall retain the liability for all losses below the higher retention limit itself and shall not transfer the liability to any other entity or reinsurance or otherwise contract for reimbursement or indemnification for losses below its retention limit, except in the following cases: (a) when the reinsurance or contract is with another member which, directly or indirectly, through one or more intermediaries, control or are controlled by or are under common control with the member; (b) when the reinsurance or contract provides for reimbursement or indemnification of a member if and only if the total of all claims which the member pays or incurs, but which are not reimbursable or subject to indemnification by the reinsurance association for a given period of time, exceeds a dollar value or percentage of premium written or earned and stated in the reinsurance agreement or contract; (c) when the reinsurance or contract is a pooling arrangement with other insurers where liability of the member to pay claims

pusuant to chapter 176 is incidental to participation in the pool and not as a result of providing workers' compensation insurance to employers on a direct basis under chapter 176; (d) when the reinsurance or contract is limited to all the claims of a specific insured of a member which are reimbursed or indemnified by a reinsurer which, directly or indirectly, through one or more intermediaries, controls or is controlled by or is under common control with the insured of the member so long as any subsequent contract or reinsurance of the reinsurer relating to the claims of the insured of a member is not inconsistent with the bases of exception provided under clauses (a), (b), and (c) above; or (e) when the reinsurance or contract is limited to all claims of a specific self-insurer member which are reimbursed or indemnified by a reinsurer which, directly or indirectly, through one or more intermediaries, controls or is controlled by or is under common control with the self-insurer member so long as any subsequent contract or reinsurance of the reinsurer relating to the claims of the self-insurer member are not inconsistent with the bases for exception provided under clauses (a), (b) and (c) above.

Whenever it appears to the commissioner that any member that chooses the higher retention limit has participated in the transfer of liability to any other entity or reinsured or otherwise contracted for reimbursement or indemnification of losses below its retention limit in a manner inconsistent with the bases for exception provided under clauses (a), (b), (c), (d), and (e), the commissioner may, after giving notice and an opportunity to be heard, order the member to pay to the state of Minnesota an amount not to exceed twice the difference between the reinsurance premium for the higher and lower retention limit applicable to the member for each year in which the prohibited reinsurance or contract was in effect. Any member subject to this penalty provision shall continue to be bound by its selection of the higher retention limit for purposes of membership in the reinsurance association.

Sec. 8. Minnesota Statutes 1982, section 79.34, is amended by adding a subdivision to read:

Subd. 7. For losses incurred on or after January 1, 1984, the reinsurance association shall indemnify the member for the ultimate loss, in excess of the retention limit in effect at the time of the loss occurrence, sustained in each loss occurrence relating to one or more claims arising out of a single compensable event in another state provided that:

(a) the injured worker is eligible for benefits under section 176.041, subdivision 2 or 3 but elects to receive benefits under the workers' compensation statute of another state in lieu of benefits under chapter 176; and

(b) *the ultimate loss indemnified by the reinsurance association shall be determined as provided in this chapter, except that the benefits shall be equal to those required to be paid under the workers' compensation statute of the state elected.*

Sec. 9. Minnesota Statutes 1982, section 79.35, is amended to read:

79.35 [DUTIES; RESPONSIBILITIES; POWERS.]

The reinsurance association shall do the following on behalf of its members:

(a) Assume 100 percent of the liability as provided in section 79.34;

(b) Establish procedures by which members shall promptly report to the reinsurance association each claim which, on the basis of the injury sustained, may reasonably be anticipated to involve liability to the reinsurance association if the member is held liable under chapter 176. Solely for the purpose of reporting claims, the member shall in all instances consider itself legally liable for the injury. The member shall advise the reinsurance association of subsequent developments likely to materially affect the interest of the reinsurance association in the claim;

(c) Maintain relevant loss and expense data relative to all liabilities of the reinsurance association and require each member to furnish statistics in connection with liabilities of the reinsurance association at the times and in the form and detail as may be required by the plan of operation;

(d) Calculate and charge to members a total premium sufficient to cover the expected liability which the reinsurance association will incur in excess of the higher retention limit but less than the prefunded limit, together with incurred or estimated to be incurred operating and administrative expenses for the period to which this premium applies and actual claim payments to be made by members, during the period to which this premium applies, for claims in excess of the prefunded limit in effect at the time the loss was incurred. The prefunded limit shall be \$2,500,000 on and after October 1, 1979, provided that the prefunded limit shall be increased on January 1, 1983 and on each January 1 thereafter by the percentage increase in the statewide average weekly wage, to the nearest \$100,000, as determined in accordance with section 176.011, subdivision 20. Each member shall be charged a proportion of the total premium in an amount equal to its proportion of the (TOTAL STANDARD EARNED PREMIUM) *exposure base* of all members during the period to which the reinsurance association premium will apply (, AS DETERMINED BY THE COMMISSIONER).

The exposure base shall be determined by the board and is subject to the approval of the commissioner. In determining the exposure base, the board shall consider, among other things, equity, administrative convenience, records maintained by members, amenability to audit, and degree of risk refinement. Each member exercising the lower retention option shall also be charged a premium established by the board as sufficient to cover incurred or estimated to be incurred claims for the liability the reinsurance association is likely to incur between the lower and higher retention limits for the period to which the premium applies. Each member shall also be charged a premium determined by the board to equitably distribute excess or deficient premiums from previous periods including any excess or deficient premiums resulting from a retroactive change in the prefunded limit. (AN EQUITABLE BASIS FOR DETERMINING STANDARD EARNED PREMIUM FOR SELF-INSURERS SHALL BE ESTABLISHED BY THE COMMISSIONER.) The premiums charged to members shall not be unfairly discriminatory as defined in section 79.074. All premiums shall be approved by the commissioner;

(e) Require and accept the payment of premiums from members of the reinsurance association;

(f) Receive and distribute all sums required by the operation of the reinsurance association;

(g) Establish procedures for reviewing claims procedures and practices of members of the reinsurance association. If the claims procedures or practices of a member are considered inadequate to properly service the liabilities of the reinsurance association, the reinsurance association may undertake, or may contract with another person, including another member, to adjust or assist in the adjustment of claims which create a potential liability to the association (AND). *The reinsurance association may charge the cost of the adjustment under this paragraph to the member, except that any penalties or interest incurred under sections 176.183, 176.221, 176.225, and 176.82 as a result of actions by the reinsurance association after it has undertaken adjustment of the claim shall not be charged to the member but shall be included in the ultimate loss and listed as a separate item; and*

(h) Provide each member of the reinsurance association with an annual report of the operations of the reinsurance association in a form the board of directors may specify.

Sec. 10. Minnesota Statutes 1982, section 79.37, is amended to read:

79.37 [BOARD OF DIRECTORS.]

A board of directors of the reinsurance association is created and (SHALL BE) *is* responsible for the operation of the reinsurance association consistent with the plan of operation and sections 79.34 to 79.42. The board (SHALL CONSIST) *consists* of (NINE) *13* directors and the (COMMISSIONER) *commissioners* of insurance (WHO SHALL BE AN EX OFFICIO MEMBER) *and labor and industry, both of whom are voting members*. Four members of the board shall represent insurers, (THREE) *six* members of the board shall represent employers, at least one, but not more than (TWO) *three*, of whom shall represent self-insurers, and (TWO) *three* members of the board shall represent employees. Members shall elect the insurer directors, and the commissioner of insurance shall appoint the employer and employee directors, for the terms authorized in the plan of operation. Each board member (SHALL BE) *is* entitled to one vote. Terms of the directors shall be staggered so that the terms of all the directors do not expire at the same time and so that a director does not serve a term of more than four years. The board shall select a chairman and other officers it deems appropriate.

A majority of the board (SHALL CONSTITUTE) *constitutes* a quorum, notwithstanding any vacancies. Action may be taken by a majority vote of the directors present.

Sec. 11. Minnesota Statutes 1982, section 79.51, subdivision 1, is amended to read:

Subdivision 1. [ADOPTION; WHEN.] The commissioner shall adopt rules, *including temporary rules*, to implement provisions of chapter 79. (THE RULES SHALL BE FINALLY ADOPTED AFTER MAY 1, 1982. BY JANUARY 15, 1982, THE COMMISSIONER SHALL PROVIDE THE LEGISLATURE A DESCRIPTION AND EXPLANATION OF THE INTENT AND ANTICIPATED EFFECT OF THE RULES ON THE VARIOUS FACTORS OF THE RATING SYSTEM.)

Sec. 12. Minnesota Statutes 1982, section 79.51, subdivision 3, is amended to read:

Subd. 3. [RULES; SUBJECT MATTER.] (a) The commissioner in issuing rules shall consider:

- (1) Data reporting requirements, including types of data reported, such as loss and expense data;
- (2) Experience rating plans;
- (3) Retrospective rating plans;
- (4) General expenses and related expense provisions;

- (5) Minimum premiums;
 - (6) Classification systems and assignment of risks to classifications;
 - (7) Loss development and trend factors;
 - (8) The workers' compensation reinsurance association;
 - (9) (RESTRICTIONS, PROHIBITIONS, AND REQUIREMENTS WITH RESPECT TO THE ACTIVITIES OF THE WORKERS' COMPENSATION INSURERS RATING ASSOCIATION OF MINNESOTA DURING THE PERIOD FROM JULY 1, 1983 TO JANUARY 1, 1986;)
 - (10) Requiring substantial compliance with the rules mandated by this section as a condition of workers' compensation carrier licensure;
 - (11) (10) Imposing limitations on the functions of workers' compensation data service organizations consistent with the introduction of competition;
 - (12) (11) The rules contained in the workers' compensation rating manual adopted by the workers' compensation insurers rating association; and
 - (13) (12) Any other factors that the commissioner deems relevant to achieve the purposes of chapter 79.
- (b) The rules shall provide for the following:
- (1) Competition in workers' compensation insurance rates in such a way that the advantages of competition are introduced with a minimum of employer hardship (DURING THE TRANSITION PERIOD);
 - (2) Adequate safeguards against excessive or discriminatory rates in workers' compensation (DURING THE TRANSITION PERIOD);
 - (3) Encouragement of workers' compensation insurance rates which are as low as reasonably necessary, but shall make provision against inadequate rates, insolvencies and unpaid benefits;
 - (4) Assurances that employers are not unfairly relegated to the assigned risk pool;
 - (5) Requiring all appropriate data and other information from insurers for the purpose of issuing rules (AND), making

legislative recommendations pursuant to this section *and monitoring the effectiveness of competition*; and

(6) Preserving a framework for risk classification, data collection, and other appropriate joint insurer services where these will not impede the introduction of competition in premium rates.

((C) THE RULES SHALL EXPIRE ON JANUARY 1, 1986.)

Sec. 13. Laws 1981, chapter 346, section 145, is amended to read:

Sec. 145. [REPEALER.]

Minnesota Statutes 1980, Sections (79.071, SUBDIVISION 1; 79.074, SUBDIVISION 1; 79.075; 79.076; 79.08; 79.09; 79.11; 79.12; 79.13; 79.14; 79.15; 79.16; 79.17; 79.171; 79.18; 79.19; 79.20; 79.21; 79.22, SUBDIVISION 1; 79.221; 79.23;) 79.24; 79.25; 79.26; 79.27; 79.28; 79.29; 79.30; 79.31; 79.32; and 79.33 are repealed effective July 1, 1983. Minnesota Statutes 1980, Sections 79.071 (, SUBDIVISIONS 2, 3, 4, 5, 6, AND 7); 79.072; (AND) 79.073; 79.074, *Subdivision 1*; 79.075; 79.076; 79.08; 79.09; 79.11; 79.12; 79.13; 79.14; 79.15; 79.16; 79.17; 79.171; 79.18; 79.19; 79.20; 79.21; 79.22, *Subdivision 1*; 79.221; 79.23; 79.27; 79.28; 79.29; 79.30; 79.31; 79.32; and 79.33 are repealed effective January 1, (1986) 1984. Minnesota Statutes 1980, Sections 175.006, Subdivisions 1a and 2; 175.0061; 175.09; 176.111, Subdivision 11; and 176.441, Subdivision 2, are repealed.

Sec. 14. Laws 1981, chapter 346, section 146, is amended to read:

Sec. 146. [EFFECTIVE DATE.]

Sections 11, 21, 22, 23, 35, 36, 37, 38, 53, 54, 141, and 142 are effective the day following enactment. Sections 1 to 8, 12, 39 to 52, 55 to 95, 99 to 138, 140, and 143 to 145 are effective July 1, 1981. Sections 96 to 98 are effective October 1, 1981. Sections 9, 10, and 13 to 20 are effective January 1, 1982. Sections (24) 30 to 34 are effective July 1, 1983. *Sections 24 to 29 are effective January 1, 1984.* Section 139 is effective retroactively to April 12, 1980.

Sec. 15. Minnesota Statutes 1982, section 79.52, is amended by adding a subdivision to read:

Subd. 16. [ATTORNEY'S FEES.] No loss adjustment expense used to pay attorney fees or other costs in defense of a workers' compensation claim shall be charged to an insured in

a merit rating plan or to a plan under section 79.251, subdivision 2.

Sec. 16. Minnesota Statutes 1982, section 175.006, subdivision 1, is amended to read:

Subdivision. 1. [CREATION AND ORGANIZATION.] The division of workers' compensation, generally administering the workers' compensation law, is created within the department of labor and industry. (THERE IS CREATED AS A SEPARATE APPELLATE TRIBUNAL FOR WORKERS' COMPENSATION, THE WORKERS' COMPENSATION COURT OF APPEALS.)

(THE WORKERS' COMPENSATION COURT OF APPEALS SHALL BE COMPOSED OF FIVE JUDGES EACH SERVING IN THE UNCLASSIFIED SERVICE OF THE STATE CIVIL SERVICE. OF THE FIVE JUDGES, AT LEAST THREE SHALL BE LEARNED IN THE LAW. EACH JUDGE OF THE WORKERS' COMPENSATION COURT OF APPEALS SHALL BE APPOINTED BY THE GOVERNOR, BY AND WITH THE ADVICE AND CONSENT OF THE SENATE, FOR A TERM OF SIX YEARS. THE JUDGES OF THE WORKERS' COMPENSATION COURT OF APPEALS AS NOW CREATED SHALL BE THE JUDGES OF THE WORKERS' COMPENSATION COURT OF APPEALS UNTIL THE EXPIRATION OF THE TERMS FOR WHICH THEY HAVE BEEN APPOINTED AND QUALIFIED.)

Sec. 17. Minnesota Statutes 1982, section 175.007, subdivision 1, is amended to read:

Subdivision 1. The commissioner shall appoint an advisory council on workers' compensation, which (SHALL CONSIST) consists of five representatives of employers and five representatives of employees and (THREE) *five nonvoting* members representing the general public. The council may consult with (THE JUDGES OF THE WORKERS' COMPENSATION COURT OF APPEALS) *any party it so desires*. The (COUNCIL SHALL EXPIRE AND THE) terms (, COMPENSATION) and removal of members shall be as provided in section 15.059. *The council is not subject to section 15.059, subdivision 5.*

Sec. 18. Minnesota Statutes 1982, section 175.08, is amended to read:

175.08 [OFFICE.]

The (WORKERS' COMPENSATION COURT OF APPEALS AND THE) department of labor and industry shall maintain (THEIR) *its* main (OFFICES) *office* within the Minneapolis-Saint Paul metropolitan area and be provided by the commissioner of administration with suitable rooms and necessary fur-

niture. (THE OFFICES OF THE WORKERS' COMPENSATION COURT OF APPEALS AND THE DEPARTMENT OF LABOR AND INDUSTRY SHALL BE IN SEPARATE BUILDINGS. THEY) *It* may hold sessions at any other place in the state when (THEIR CONVENIENCE AND THAT OF THE PARTIES INTERESTED SO REQUIRES) *it is convenient*.

Sec. 19. Minnesota Statutes 1982, section 175.10, is amended to read:

175.10 [SESSIONS TO BE PUBLIC.]

The department of labor and industry shall be open for the transaction of business during all business hours of each and every day, excepting Saturdays, Sundays and legal holidays. The hearings of (THE WORKERS' COMPENSATION COURT OF APPEALS AND) the workers' compensation division shall be open to the public and may be adjourned from time to time. All the proceedings of (THE WORKERS' COMPENSATION COURT OF APPEALS AND) the division shall be shown on their records, which shall be public records.

Sec. 20. Minnesota Statutes 1982, section 175.101, subdivision 1, is amended to read:

Subdivision 1. It is the legislative purpose in creating a division of workers' compensation, and in assigning to the commissioner of the department of labor and industry specific duties and responsibilities, to:

(a) provide for a unified department of labor and industry for the limited purposes of organization and administration of common administrative functions; *and*

(b) assure the autonomy and maximum independence of the necessary adjudicative functions and quasi-legislative administrative duties of the division (, AND;)

((C) SEPARATE AND LIMIT THE FUNCTIONS AND RESPONSIBILITIES OF THE EXISTING WORKERS' COMPENSATION COURT OF APPEALS TO THOSE APPROPRIATE TO AN INDEPENDENT APPELLATE REVIEWING BODY).

The commissioner (OF THE DEPARTMENT OF LABOR AND INDUSTRY) as head of the workers' compensation division is the administrator of the workers' compensation division. (HE) *The commissioner* shall possess only (SUCH) *the* powers and shall perform only (SUCH) *the* duties (AS ARE SPECIFICALLY) prescribed by law.

Sec. 21. Minnesota Statutes 1982, section 175.101, subdivision 2, is amended to read:

Subd. 2. The commissioner (OF THE DEPARTMENT OF LABOR AND INDUSTRY) shall keep a full and true record of all proceedings of the workers' compensation division (AND THE WORKERS' COMPENSATION COURT OF APPEALS), issue all necessary processes, writs, warrants, and notices which the division (OR WORKERS' COMPENSATION COURT OF APPEALS ARE) is required or authorized to issue and generally act as the administrator of the division of workers' compensation in the department of labor and industry. Notices and other documents required to be served or filed on the division of workers' compensation or the workers' compensation court of appeals shall be served on the commissioner (OF THE DEPARTMENT OF LABOR AND INDUSTRY).

Sec. 22. Minnesota Statutes 1982, section 176.011, is amended by adding a subdivision to read:

Subd. 23. [RETRAINING.] "Retraining" means a formal course of study in a school setting which is designed to train an employee to return to suitable gainful employment.

Sec. 23. Minnesota Statutes 1982, section 176.011, is amended by adding a subdivision to read:

Subd. 24. [HEALTH CARE PROVIDER.] "Health care provider" means a physician, podiatrist, chiropractor, dentist, optometrist, osteopath, psychologist, psychiatric social worker, or any other person who furnishes a medical or health service to an employee under this chapter but does not include a qualified rehabilitation consultant or approved vendor.

Sec. 24. Minnesota Statutes 1982, section 176.011, is amended by adding a subdivision to read:

Subd. 25. [MAXIMUM MEDICAL IMPROVEMENT.] "Maximum medical improvement" means the date after which no further significant recovery from or lasting improvement to a personal injury can reasonably be anticipated, based upon current medical knowledge.

Sec. 25. Minnesota Statutes 1982, section 176.011, is amended by adding a subdivision to read:

Subd. 26. [MONITORING PERIOD.] "Monitoring period" means the number of weeks during which economic recovery compensation pursuant to section 176.101, subdivision 3a, would have been paid if that compensation were payable.

Sec. 26. Minnesota Statutes 1982, section 176.012, is amended to read:

176.012 [ELECTION OF COVERAGE.]

The persons, partnerships and corporations described in this section may elect to provide the insurance coverage required by this chapter.

(a) An owner or owners of a business or farm may elect coverage for themselves.

(b) A partnership owning a business or farm may elect coverage for any partner.

(c) A family farm corporation as defined in section 500.24, subdivision 2, clause (c) may elect coverage for any executive officer.

(d) A closely held corporation which had less than 22,880 hours of payroll in the previous calendar year may elect coverage for any executive officer if that executive officer is also an owner of at least 25 percent of the stock of the corporation.

(e) A person, partnership, or corporation hiring an independent contractor, as defined by rules adopted by the commissioner, can elect to provide coverage for that independent contractor provided that if no such election is made the independent contractor may elect to provide coverage for him or herself.

The persons, partnerships and corporations described in this section may also elect coverage for an employee who is a spouse, parent or child, regardless of age, of an owner, partner, or executive officer, who is eligible for coverage under this section. Coverage may be elected for a spouse, parent or child whether or not coverage is elected for the related owner, partner or executive director and whether or not the person, partnership or corporation employs any other person to perform a service for hire. Any person for whom coverage is elected pursuant to this section shall be included within the meaning of the term employee for the purposes of this chapter.

Notice of election of coverage or of termination of election under this section shall be provided in writing to the insurer. Coverage or termination of coverage is effective the day following receipt of notice by the insurer or at a subsequent date if so indicated in the notice. The insurance policy shall be endorsed to indicate the names of those persons for whom coverage has been elected or terminated under this section. An election of coverage under this section shall continue in effect as long as a policy or renewal policy of the same insurer is in effect.

Nothing in this section shall be construed to limit the responsibilities of owners, partnerships or corporations to provide coverage for their employees, if any, as required under this chapter.

Sec. 27. Minnesota Statutes 1982, section 176.021, subdivision 3, is amended to read:

Subd. 3. [COMPENSATION, COMMENCEMENT OF PAYMENT.] All employers shall commence payment of compensation at the time and in the manner prescribed by this chapter without the necessity of any agreement or any order of the division. Except for medical, burial, and other non-periodic benefits, payments shall be made as nearly as possible at the intervals when the wage was payable, provided, however, that payments for permanent partial disability shall be governed by (SUBDIVISION 3A) *section 176.101*. If doubt exists as to the eventual permanent partial disability, payment for the economic recovery compensation or impairment compensation, whichever is due, pursuant to (SUBDIVISION 3A) *section 176.101*, shall be then made when due for the minimum permanent partial disability ascertainable, and further payment shall be made upon any later ascertainment of greater permanent partial disability. Prior to or at the time of (ANY TENDER) commencement of the (LUMP SUM) payment of economic recovery compensation or impairment compensation, the employee and employer shall be furnished with a copy of the medical report upon which the payment is based and all other medical reports which the insurer has that indicate a permanent partial disability rating, together with a statement by the insurer as to whether the tendered payment is for minimum permanent partial disability or final and eventual disability. (COMPENSATION FOR PERMANENT PARTIAL DISABILITY) After receipt of all reports available to the insurer that indicate a permanent partial disability rating, the employee shall make available or permit the insurer to obtain any medical report that the employee has or has knowledge of that contains a permanent partial disability rating which the insurer does not already have. Economic recovery compensation or impairment compensation pursuant to *section 176.101* is payable in addition to but not concurrently with compensation for temporary total disability and temporary partial disability pursuant to *section 176.101*, subdivisions 1 and 2, and as provided in (SUBDIVISION 3A) *section 176.101*. (COMPENSATION FOR PERMANENT PARTIAL DISABILITY) Impairment compensation is payable concurrently and in addition to compensation for permanent total disability pursuant to *section 176.101*, subdivision 5, and as provided in (SUBDIVISION 3A) *section 176.101*. (COMPENSATION FOR PERMANENT PARTIAL DISABILITY) Economic recovery compensation or impairment compensation pursuant to *section 176.101* shall be withheld pending completion of payment for temporary total (AND TEMPORARY PARTIAL) disability (BUT SHALL NOT BE WITHHELD PENDING PAYMENT OF COMPENSATION FOR PERMANENT TOTAL DISABILITY), and no credit shall be taken for payment of (PERMANENT PARTIAL DISABILITY) economic recovery compensation or impairment compensation against liability for temporary total or permanent total disability. Liability on the part of an employer or (HIS)

the insurer for disability of a temporary total, temporary partial, and permanent total nature shall be considered as a continuing product and part of the employee's inability to earn or reduction in earning capacity due to injury or occupational disease and (SHALL BE) compensation is payable accordingly, subject to (SUBDIVISION 3A) section 176.101. (PERMANENT PARTIAL DISABILITY) Economic recovery compensation or impairment compensation is payable for functional loss of use or impairment of function, permanent in nature, and payment therefore shall be separate, distinct, and in addition to payment for any other compensation, subject to (SUBDIVISION 3A) section 176.101. The right to receive temporary total, temporary partial, (PERMANENT PARTIAL) or permanent total disability payments (SHALL VEST) vests in the injured employee or (HIS) the employee's dependents under this chapter or, if none, in (HIS) the employee's legal heirs at the time the disability can be ascertained and the right (SHALL) is not (BE) abrogated by the employee's death prior to the making of the payment.

The right to receive economic recovery compensation or impairment compensation vests in an injured employee at the time the disability is ascertained provided that the employee lives for at least 30 days beyond the date of the injury. Upon the death of an employee who is receiving economic recovery compensation or impairment compensation, further compensation is payable pursuant to section 176.101.

Sec. 28. Minnesota Statutes 1982, section 176.041, subdivision 1, is amended to read:

Subdivision 1. [EMPLOYMENTS EXCLUDED.] This chapter does not apply to persons employed by any common carrier by railroad engaged in interstate or foreign commerce, which persons are covered by the Federal Employers' Liability Act (45 U.S.C. 51-60) or other comparable federal law; persons employed by family farms as defined by section 176.011, subdivision 11a, the spouse, parent and child, regardless of age, of a farmer employer working for him; partners engaged in any farm operation or partners engaged in a business and the spouse, parent, and child, regardless of age, of any of the partners of the farm operation or business; an executive officer of a family farm corporation; an executive officer of a closely held corporation referred to in section 176.012; any spouse, parent, or child, regardless of age, of an executive officer of a family farm corporation as defined in section 500.24, subdivision 2, employed by that family farm corporation; any spouse, parent, or child, regardless of age, of an executive officer of a closely held corporation referred to in section 176.012; or other farmers or members of their families exchanging work with the farmer employer or family farm corporation operator in the same community, or persons whose employment at the time of the injury is casual, and not in the usual course of the trade, business, profession, or oc-

cupation of his employer; *persons who are independent contractors as defined by rules adopted by the commissioner pursuant to section 176.83 provided that this exclusion does not apply to an employee of an independent contractor; nor does it apply to officers or members of veteran's organizations whose employment relationship arises solely by virtue of attending meetings or conventions of their organization, unless the veteran's organizations elect by resolution to provide coverage under this chapter for the officers or members. Neither shall the chapter apply to any person employed as a household worker in, for, or about, a private home or household who earns less than \$500 in cash in any three month period from a single private home or household provided that any household worker who has earned \$500 or more from his present employer in any three month period within the previous year shall be covered by this chapter regardless of whether or not he has in the present quarter earned \$500. This chapter does not apply to those persons employed by a corporation where those persons are related by blood or marriage, within the third degree of kindred according to the rules of civil law, to all of the officers of the corporation, and if the corporation files a written election with the commissioner (OF LABOR AND INDUSTRY) to have those persons excluded from this chapter except that a written election is not required for a person who is otherwise excluded from this chapter by this section. This chapter does not apply to a nonprofit association which does not pay more than \$500 in salary or wages in a year.*

Sec. 29. Minnesota Statutes 1982, section 176.061, is amended to read:

176.061 [THIRD PARTY LIABILITY.]

Subdivision 1. [ELECTION OF REMEDIES.] Where an injury or death for which benefits are payable occurs under circumstances which create a legal liability for damages on the part of a party other than the employer and at the time of (SUCH) *the* injury or death that party was insured or self-insured in accordance with this chapter, the employee, in case of injury, or (HIS) *the employee's* dependents, in case of death, may proceed either at law against that party to recover damages or against the employer for benefits, but not against both.

Subd. 2. [ACTION FOR RECOVERY OF DAMAGES.] If the employee, in case of injury, or (HIS) *the employee's* dependents, in case of death, brings an action for the recovery of damages, the amount thereof, the manner in which, and the persons to whom the same are payable, shall be as provided in this chapter. In no case shall (SUCH) *the* party be liable to any person other than the employee or (HIS) *the employee's* dependents for any damages resulting from (SUCH) *the* injury or death.

Subd. 3. [ELECTION TO RECEIVE BENEFITS FROM EMPLOYER; INDEMNITY AND SUBROGATION.] If the employee or (HIS) *the employee's* dependents elect to receive benefits from the employer, or the special compensation fund, the employer, or the special compensation fund, *has a right of indemnity against third parties for cases under chapter 65B, or, in all other cases,* is subrogated to the right of the employee or (HIS) *the employee's* dependents to recover damages against the other party. The employer, or the attorney general on behalf of the special compensation fund, may bring legal proceedings against (SUCH) *the party* and recover the aggregate amount of benefits payable to or on behalf of the employee or (HIS) *the employee's* dependents, together with costs, disbursements, and reasonable attorney's fees of the action.

If an action as provided in this chapter prosecuted by the employee, the employer, or the attorney general on behalf of the special compensation fund, against the third person, results in judgment against the third person, or settlement by the third person, the employer (SHALL HAVE) *has no liability to reimburse or hold the third person harmless on the judgment or settlement in absence of a written agreement to do so executed prior to the injury.*

Subd. 4. [APPLICATION OF SUBDIVISIONS 1, 2, AND 3.] The provisions of subdivisions 1, 2, and 3 apply only where the employer liable for benefits and the other party legally liable for damages are insured or self-insured and engaged, in the due course of business in, (a) furtherance of a common enterprise, or (b) in the accomplishment of the same or related purposes in operations on the premises where the injury was received at the time (THEREOF) *of the injury.*

Subd. 5. [CUMULATIVE REMEDIES.] Where an injury or death for which benefits are payable is caused under circumstances which created a legal liability for damages on the part of a party other than the employer, that party being then insured or self-insured in accordance with this chapter, and the provisions of subdivisions 1, 2, 3, and 4 do not apply, or the party other than the employer is not then insured or self-insured as provided by this chapter, legal proceedings may be taken by the employee or (HIS) *the employee's* dependents in accordance with clause (a), or by his employer, or by the attorney general on behalf of the special compensation fund, in accordance with clause (b), against the other party to recover damages, notwithstanding the payment by the employer, or the special compensation fund or their liability to pay benefits.

(a) If an action against the other party is brought by the injured employee or (HIS) *the employee's* dependents and a judgment is obtained and paid or settlement is made with the other party, the employer or the special compensation fund may deduct from the benefits payable the amount actually received

by the employee or dependents or paid on their behalf in accordance with subdivision 6. If the action is not diligently prosecuted or if the court deems it advisable in order to protect the interests of the employer, or the special compensation fund, upon application the court may grant the employer, or the special compensation fund, the right to intervene in (ANY SUCH) *the* action for the prosecution (THEREOF) *of the action*. If the injured employee or (HIS) *the employee's* dependents or any party on their behalf receives benefits from the employer, or the special compensation fund, or institute proceedings to recover (THE SAME) *benefits* or accept from the employer, or the special compensation fund, any payment on account of the benefits, the employer, or the special compensation fund, is subrogated to the rights of the employee or (HIS) *the employee's* dependents or *has a right of indemnity, for cases under chapter 65B, against a third party*. This employer, or the attorney general on behalf of the special compensation fund, may maintain (AN) *a separate* action or continue an action already instituted. This action may be maintained in the name of the employee or the names of the *employee's* dependents, or in the name of the employer or in the name of the attorney general on behalf of the special compensation fund against (SUCH) *the* other party for the recovery of damages. If the action is not diligently prosecuted by the employer, or the attorney general on behalf of the special compensation fund, or the court deems it advisable in order to protect the interest of the employee, the court, upon application, may grant to the employee or (HIS) *the employee's* dependents the right to intervene in the action for the prosecution (THEREOF) *of the action*. The proceeds of (SUCH) *the* action or settlement (THEREOF) *of the action* shall be paid in accordance with subdivision 6.

(b) If an employer, being then insured, sustains damages due to a change in workers' compensation insurance premiums, whether by a failure to achieve a decrease or by a retroactive or prospective increase, as a result of the injury or death of (HIS) *an* employee which was caused under circumstances which created a legal liability for damages on the part of a party other than the employer, the employer, notwithstanding other remedies provided, may maintain an action against the other party for recovery of (SUCH) *the* premiums. This cause of action may be brought either by joining in an action described in clause (a) or by a separate action. Damages recovered under this clause (SHALL BE) *are* for the benefit of the employer and the provisions of subdivision 6 (SHALL) *are* not (BE) applicable to (SUCH) *the* damages.

(c) The third party is not liable to any person other than the employee or (HIS) *the employee's* dependents, or (HIS) *the* employer, or the special compensation fund, for any damages resulting from the injury or death.

A co-employee working for the same employer is not liable for a personal injury incurred by another employee unless the

injury resulted from the gross negligence of the co-employee or was intentionally inflicted by the co-employee.

Subd. 6. [COSTS, ATTORNEY FEES, EXPENSES.] The proceeds of all actions for damages or settlement (THEREOF) of an action under this section, except for damages received under subdivision 5, clause (b) received by the injured employee or (HIS) *the employee's* dependents or by the employer, or the special compensation fund, as provided by subdivision 5, shall be divided as follows:

(a) After deducting the reasonable cost of collection, including but not limited to attorneys fees and burial expense in excess of the statutory liability, then

(b) One-third of the remainder shall in any event be paid to the injured employee or (HIS) *the employee's* dependents, without being subject to any right of subrogation.

(c) Out of the balance remaining, the employer, or the special compensation fund, shall be reimbursed in an amount equal to all benefits paid under this chapter to or on behalf of the employee or (HIS) *the employee's* dependents by the employer, or special compensation fund, less the product of the costs deducted under clause (a) divided by the total proceeds received by the employee or his dependents from the other party multiplied by all benefits paid by the employer, or the special compensation fund, to the employee or (HIS) *the employee's* dependents.

(d) Any balance remaining shall be paid to the employee or (HIS) *the employee's* dependents, and shall be a credit to employer, and the special compensation fund, for any benefits which employer is obligated to pay, but has not paid, and for any benefits that (SUCH) *the employer* (SHALL BE) *is* obligated to make in the future.

There shall be no reimbursement or credit to the employer, or the special compensation fund, for interest or penalties.

Subd. 7. [MEDICAL TREATMENT.] The liability of an employer, or the special compensation fund, for medical treatment or payment of any other compensation under this chapter (SHALL) *is not* (BE) affected by the fact that (HIS) *the employee* was injured through the fault or negligence of a third party, against whom the employee may have a cause of action which may be sued under this chapter, but the employer, or the attorney general on behalf of the special compensation fund, (SHALL HAVE) *has* a separate additional cause of action against (SUCH) *the third party* to recover any amounts paid for medical treatment or for other compensation payable under this section resulting from the negligence of (SUCH) *the third party*. This separate cause of action of the employer, or the attorney general on behalf of the special compensation fund, may be asserted in a

separate action brought by the employer, or the attorney general on behalf of the special compensation fund, against (SUCH) the third party or in the action commenced by the employee or the employer, or the attorney general on behalf of the special compensation fund, under this chapter, but in the latter case the cause of action shall be separately stated, the amount awarded thereon shall be separately set out in the verdict, and the amount recovered by suit or otherwise as reimbursement for medical expenses or other compensation shall be for the benefit of the employer, or the special compensation fund, to the extent that the employer, or the special compensation fund, has paid or will be required to pay compensation or for medical treatment of the injured employee and (SHALL) does not affect the amount of periodic compensation to be paid.

(SUBD. 8. [STATE AS EMPLOYER.] IN EVERY CASE ARISING UNDER SUBDIVISION 5 WHEN THE STATE IS THE EMPLOYER AND A SETTLEMENT BETWEEN THE THIRD PARTY AND THE EMPLOYEE IS MADE IT IS NOT VALID UNLESS PRIOR NOTICE THEREOF IS GIVEN TO THE STATE WITHIN A REASONABLE TIME. IF THE STATE PAYS COMPENSATION TO THE EMPLOYEE UNDER THE PROVISIONS OF THIS CHAPTER AND BECOMES SUBROGATED TO THE RIGHTS OF THE EMPLOYEE OR HIS DEPENDENTS ANY SETTLEMENT BETWEEN THE EMPLOYEE OR HIS DEPENDENTS AND THE THIRD PARTY IS VOID AS AGAINST THE STATE'S RIGHT OF SUBROGATION. WHEN AN ACTION AT LAW IS INSTITUTED BY AN EMPLOYEE OR HIS DEPENDENTS AGAINST A THIRD PARTY FOR RECOVERY OF DAMAGES A COPY OF THE COMPLAINT AND NOTICE OF TRIAL OR NOTE OF ISSUE IN SUCH ACTION SHALL BE SERVED ON THE STATE. ANY JUDGMENT RENDERED THEREIN IS SUBJECT TO A LIEN OF THE STATE FOR THE AMOUNT TO WHICH IT IS ENTITLED TO BE SUBROGATED UNDER THE PROVISIONS OF SUBDIVISION 5.)

Subd. 8a. [NOTICE TO EMPLOYER.] In every case arising under subdivision 5, a settlement between the third party and the employee is not valid unless prior notice of the intention to settle is given to the employer within a reasonable time. If the employer or insurer pays compensation to the employee under the provisions of this chapter and becomes subrogated to the right of the employee or the employee's dependents or has a right of indemnity, any settlement between the employee or the employee's dependents and the third party is void as against the employer's right of subrogation or indemnity unless prior notice was given. When an action at law is instituted by an employee or the employee's dependents against a third party for recovery of damages, a copy of the complaint and notice of trial or note of issue in the action shall be served on the employer or insurer. Any judgment rendered in the action is subject to a lien of the

employer for the amount to which it is entitled to be subrogated or indemnified under the provisions of subdivision 5.

Subd. 9. [SERVICE OF NOTICE ON ATTORNEY GENERAL.] In every case in which the state is liable to pay compensation or is subrogated to the rights of the employee or (HIS) *the employee's dependents or has a right of indemnity*, all notices required to be given the state shall be served on the attorney general and the commissioner (OF THE DEPARTMENT OF LABOR AND INDUSTRY).

Sec. 30. Minnesota Statutes 1982, section 176.101, subdivision 2, is amended to read:

Subd. 2. [TEMPORARY PARTIAL DISABILITY.] In all cases of temporary partial disability the compensation shall be 66-2/3 percent of the difference between the (DAILY) *weekly wage of the (WORKER) employee at the time of injury and the wage (HE) the employee is able to earn in (HIS) the employee's partially disabled condition.* This compensation shall be paid during the period of disability *except as provided in section 176.101*, payment to be made at the intervals when the wage was payable, as nearly as may be, and subject to a maximum compensation equal to the statewide average weekly wage. (IF THE EMPLOYER DOES NOT FURNISH THE WORKER WITH WORK WHICH HE CAN DO IN HIS TEMPORARY PARTIALLY DISABLED CONDITION AND HE IS UNABLE TO PROCURE SUCH WORK WITH ANOTHER EMPLOYER, AFTER REASONABLY DILIGENT EFFORT, THE EMPLOYEE SHALL BE PAID AT THE FULL COMPENSATION RATE FOR HIS OR HER TEMPORARY TOTAL DISABILITY.)

Sec. 31. Minnesota Statutes 1982, section 176.101, subdivision 3, is amended to read:

Subd. 3. [PERMANENT PARTIAL DISABILITY.] For permanent partial disability compensation shall be that named in the following schedule, subject to a maximum compensation equal to the statewide weekly wage:

(1) For the loss of a thumb, 66-2/3 percent of the daily wage at the time of injury during 65 weeks;

(2) For the loss of a first finger, commonly called index finger, 66-2/3 percent of the daily wage at the time of injury during 40 weeks;

(3) For the loss of a second finger, 66-2/3 percent of the daily wage at the time of injury during 35 weeks;

(4) For the loss of a third finger, $66\frac{2}{3}$ percent of the daily wage at the time of injury during 25 weeks;

(5) For the loss of a fourth finger, commonly called the little finger, $66\frac{2}{3}$ percent of the daily wage at the time of injury during 20 weeks;

(6) The loss of the first phalange of the thumb or of any finger, is considered equal to the loss of one-half of the thumb or finger and compensation shall be paid at the prescribed rate during one-half the time specified for the loss of the thumb or finger;

(7) The loss of one and one-half or more phalanges is considered equal to the loss of the entire finger or thumb; but in no case shall the amount received for more than one finger exceed the amount provided in this schedule for the loss of a hand;

(8) For the loss of a great toe, $66\frac{2}{3}$ percent of the daily wage at the time of injury during 35 weeks;

(9) For the loss of a toe other than a great toe, $66\frac{2}{3}$ percent of the daily wage at the time of injury during 15 weeks;

(10) The loss of the first phalange of any toe is considered equal to the loss of one-half of the toe, and compensation shall be paid at the prescribed rate during one-half the time specified for the loss of the toe;

(11) The loss of one and one-half or more phalanges is considered equal to the loss of the entire toe;

(12) For the loss of a hand, not including the wrist movement, $66\frac{2}{3}$ percent of the daily wage at the time of injury during 195 weeks;

(13) For the loss of a hand, including wrist movement, $66\frac{2}{3}$ percent of the daily wage at the time of injury during 220 weeks;

(14) For the loss of an arm, $66\frac{2}{3}$ percent of the daily wage at the time of injury during 270 weeks;

(15) Amputation of the arm below the elbow is considered the loss of a hand, including wrist movement, if enough of the forearm remains to permit the use of an effective artificial member, otherwise it is considered the loss of an arm;

(16) For the loss of a foot, not including ankle movement, $66\frac{2}{3}$ percent of the daily wage at the time of injury during 140 weeks;

(17) For the loss of a foot, including ankle movement, $66 \frac{2}{3}$ percent of the daily wage at the time of injury during 165 weeks;

(18) For the loss of a leg, if enough of the leg remains to permit the use of an effective artificial member, $66 \frac{2}{3}$ percent of the daily wage at the time of injury during 195 weeks;

(19) For the loss of a leg so close to the hip that no effective artificial member can be used, $66 \frac{2}{3}$ percent of the daily wage at the time of injury during 220 weeks;

(20) Amputation of a leg below the knee is considered as equal to the loss of a foot, including ankle movement, if enough of the lower leg remains to permit the use of an effective artificial member, otherwise it is considered as equal to the loss of a leg;

(21) For the loss of an eye, $66 \frac{2}{3}$ percent of the daily wage at the time of injury during 160 weeks;

(22) For the complete permanent loss of hearing in one ear, $66 \frac{2}{3}$ percent of the daily wage at the time of injury during 85 weeks;

(23) For the complete permanent loss of hearing in both ears, $66 \frac{2}{3}$ percent of the daily wage at the time of injury during 170 weeks;

(24) For the loss of an eye and a leg, $66 \frac{2}{3}$ percent of the daily wage at the time of injury during 475 weeks;

(25) For the loss of an eye and an arm, $66 \frac{2}{3}$ percent of the daily wage at the time of injury during 475 weeks;

(26) For the loss of an eye and a hand, $66 \frac{2}{3}$ percent of the daily wage at the time of injury during 450 weeks;

(27) For the loss of an eye and a foot, $66 \frac{2}{3}$ percent of the daily wage at the time of injury during 400 weeks;

(28) For the loss of two arms, other than at the shoulder, $66 \frac{2}{3}$ percent of the daily wage at the time of injury during 500 weeks;

(29) For the loss of two hands, $66 \frac{2}{3}$ percent of the daily wage at the time of injury during 500 weeks;

(30) For the loss of two legs, other than so close to the hips that no effective artificial member can be used, $66 \frac{2}{3}$ percent of the daily wage at the time of injury during 500 weeks;

(31) For the loss of two feet, $66 \frac{2}{3}$ percent of the daily wage at the time of injury during 500 weeks;

(32) For the loss of one arm and the other hand, 66 2/3 percent of the daily wage at the time of injury during 500 weeks;

(33) For the loss of one hand and one foot, 66 2/3 percent of the daily wage at the time of injury during 500 weeks;

(34) For the loss of one leg and the other foot, 66 2/3 percent of the daily wage at the time of injury during 500 weeks;

(35) For the loss of one leg and one hand, 66 2/3 percent of the daily wage at the time of injury during 500 weeks;

(36) For the loss of one arm and one foot, 66 2/3 percent of the daily wage at the time of injury during 500 weeks;

(37) For the loss of one arm and one leg, 66 2/3 percent of the daily wage at the time of injury during 500 weeks;

(38) For loss of the voice mechanism, 66 2/3 percent of the daily wage at the time of injury during 500 weeks;

(39) For head injuries, 66 2/3 percent of the daily wage at the time of injury for that proportion of 500 weeks which is represented by its percentage of the permanent partial disability to the entire body as is determined from competent testimony at a hearing before a compensation judge or as determined by the workers' compensation court of appeals in cases on appeal;

(40) For permanent partial disability resulting from injury to any internal organ until such time as the commissioner of labor and industry shall promulgate a schedule of internal organs and thereafter for internal organs covered by the schedule of internal organs established by the commissioner, 66 2/3 percent of the daily wage at time of injury for that proportion of 500 weeks, not to exceed 500 weeks, as determined by the commissioner, which is the proportionate amount of permanent partial disability caused to the entire body by the injury as is determined from competent testimony at a hearing before a compensation judge or the workers' compensation court of appeals;

(41) For disfigurement or scarring not resulting from the loss of a member or other injury specifically compensated, affecting the employability or advancement opportunity of the injured person in the employment in which he was injured or other employment for which the employee is then qualified or for which the employee has become qualified, 66 2/3 percent of the daily wage at the time of injury during the period the parties agree to or the compensation judge or the workers' compensation court of appeals in cases on appeal determines, not exceeding 90 weeks;

(42) For permanent partial disability resulting from injury to the back, 66 2/3 percent of the daily wage at the time of in-

jury for that proportion of 350 weeks which is represented by the percentage of the permanent partial disability as is determined from competent testimony at a hearing before a compensation judge, the commissioner, or the workers' compensation court of appeals;

(43) When an employee sustains concurrent injuries resulting in concurrent disabilities he shall receive compensation only for the injury which entitled him to the largest amount of compensation, but this does not affect liability for disfigurement affecting the employability of the injured person or liability for the concurrent loss of more than one member, for which members compensations are provided in the specific schedule and in subdivision 5;

(44) In all cases of permanent partial disability it is considered that the permanent loss of the use of a member is equivalent to and draws the same compensation as the loss of that member, but the compensation in and by this schedule provided shall be in lieu of all other compensation in these cases, except as otherwise provided by this section;

In the event a worker has been awarded or is entitled to receive compensation for loss of use of a member under any workers' compensation law, and thereafter sustains loss of the member under circumstances entitling him to compensation therefor under this subdivision, the amount of compensation awarded, or that he is entitled to receive, for the loss of use, is to be deducted from the compensation due under the schedules of this section for the loss of the member, provided, that the amount of compensation due for the loss of the member caused by the subsequent accident is in no case less than 25 percent of the compensation payable under the schedule of this section for the loss of the member;

(45) In cases of permanent partial disability due to injury to a member, resulting in less than total loss of the member, not otherwise compensated in this schedule, compensation shall be paid at the prescribed rate during that part of the time specified in the schedule for the total loss of the member which the extent of the injury to the member bears to its total loss;

(46) In cases of permanent partial disability caused by simultaneous injury to two or more members, the applicable schedules in this subdivision shall be increased by 15 percent. This clause shall not apply when the injuries are compensated under paragraphs 22 to 37 inclusive, of this subdivision. In cases of partial disability due to injury to both eyes resulting in less than total loss of vision in one or both eyes compensation shall be paid at the prescribed rate during that part of 450 weeks which the extent of the combined injury to both eyes bears to the complete loss of industrial vision;

(47) The commissioner may make or revise rules for the determination of the extent of the impairment of the industrial use of one or both eyes taking into account all primary coordinate factors of vision. These rules shall be made or revised after consultation with experts on industrial vision and after public notice to and hearing of interested parties;

(48) For permanent partial disability resulting from injury to the body as a whole due to burns, 66 2/3 percent of the daily wage at the time of injury, for that proportion of 350 weeks which is represented by the percentage of the permanent partial disability as is determined from competent testimony at a hearing before a compensation judge or as determined by the workers' compensation court of appeals in cases on appeal, the compensation to be paid in addition to the compensation as employee would otherwise be entitled to for loss of use of a member in accordance with this section;

(49) In all cases of permanent partial disability not enumerated in this schedule the compensation shall be 66 2/3 percent of the difference between the daily wage of the worker at the time of the injury and the daily wage he is able to earn in his partially disabled condition, subject to a maximum equal to the statewide average weekly wage, and continue during disability, not to exceed 350 weeks; and if the employer does not furnish the worker with work which he can do in his permanently partially disabled condition and he is unable to secure such work with another employer after a reasonably diligent effort, the employee shall be paid at his or her maximum rate of compensation for total disability.

This subdivision applies to a permanent partial disability incurred before the effective date of the rules adopted under section 176.105, subdivision 4.

Sec. 32. Minnesota Statutes 1982, section 176.101, is amended by adding a subdivision to read:

Subd. 3a. [ECONOMIC RECOVERY COMPENSATION.] If an employee is not eligible for an impairment award pursuant to subdivision 3b, then the employee shall receive economic recovery compensation for a permanent partial disability pursuant to this subdivision. The compensation shall be 66-2/3 percent of the weekly wage at the time of injury subject to a maximum equal to the statewide average weekly wage. For permanent partial disability up to the percent of the whole body in the following schedule the compensation shall be paid for the proportion that the loss of function of the disabled part bears to the whole body multiplied by the number of weeks aligned with that percent.

<i>Percent of disability</i>	<i>Weeks of compensation</i>
0-25	600
26-30	640
31-35	680
36-40	720
41-45	760
46-50	800
51-55	880
56-60	960
61-65	1040
66-70	1120
71-100	1200

The percentage loss in all cases under this subdivision is determined according to the rules adopted by the commissioner pursuant to section 176.105, subdivision 4. This subdivision shall apply to a permanent partial disability incurred on or after the adoption of those rules.

Sec. 33. Minnesota Statutes 1982, section 176.101, is amended by adding a subdivision to read:

Subd. 3b. [IMPAIRMENT COMPENSATION.] An employee who suffers a permanent partial disability due to a personal injury and receives impairment compensation under this section shall receive compensation in an amount as provided by this subdivision. For permanent partial disability up to the percent of the whole body shown in the following schedule the amount shall be equal to the proportion that the loss of function of the disabled part bears to the whole body multiplied by the amount aligned with that percent in the following schedule:

<i>Percent of disability</i>	<i>Amount</i>
0-25	75,000
26-30	80,000
31-35	85,000

36-40	90,000
41-45	95,000
46-50	100,000
51-55	120,000
56-60	140,000
61-65	160,000
66-70	180,000
71-75	200,000
76-80	240,000
81-85	280,000
86-90	320,000
91-95	360,000
96-100	400,000

For all cases under this subdivision the percentage loss of function of a part of the body is determined by the commissioner pursuant to section 176.105, subdivision 4. This subdivision shall apply to a permanent partial disability incurred on or after the adoption of those rules.

Sec. 34. Minnesota Statutes 1982, section 176.101, is amended by adding a subdivision to read:

Subd. 3c. [MAXIMUM PAYABLE.] The maximum amount payable under subdivisions 3a and 3b is the maximum compensation payable to an employee who has a disability to the body as a whole and under no conditions shall an employee receive more than those amounts even if the employee sustains a disability to two or more body parts.

Sec. 35. Minnesota Statutes 1982, section 176.101, is amended by adding a subdivision to read:

Subd. 3d. [GENERAL.] An employee who has incurred a personal injury shall receive temporary total compensation until these benefits are no longer payable pursuant to this section. If the injury results in a permanent partial disability, the employee shall receive compensation as provided in this section.

Sec. 36. Minnesota Statutes 1982, section 176.101, is amended by adding a subdivision to read:

Subd. 3e. [END OF TEMPORARY TOTAL COMPENSATION.] (a) 90 days after an employee has reached maximum medical improvement or 90 days after the end of an approved retraining program, whichever is later, the employee's temporary total compensation shall cease. This cessation shall occur at an earlier date if otherwise provided by this section. If prior to the termination of this 90-day period the employee retires or the employer furnishes work to the employee that the employee can do in his or her physical condition and that job produces an economic status as close as possible to that the employee would have enjoyed without the disability, or the employer procures this employment with another employer or the employee accepts this job with another employer, temporary total compensation shall cease. If the injury resulted in permanent partial disability, the employee shall receive impairment compensation pursuant to subdivision 3b. This impairment compensation is in lieu of economic recovery compensation under subdivision 3a, and the employee shall not receive both economic recovery compensation and impairment compensation for the same disability. Temporary total compensation and impairment compensation shall not be paid concurrently. Once temporary total compensation ceases no further temporary total compensation is payable except as specifically provided in this section.

(b) If the job offered under clause (a) is not the job the employee had at the time of injury it shall be in writing and shall state the nature of the job, the rate of pay, the physical requirements of the job, an agreement to pay temporary partial compensation if appropriate, and any other information necessary to fully and completely inform the employee of the job duties and responsibilities.

The employee has 14 calendar days to accept or reject the job offer. If the employee does not respond within this period it is deemed a refusal of the offer.

(c) Self employment may be an appropriate job under this subdivision.

The commissioner shall monitor application of this subdivision and may adopt rules to assure its proper application.

Sec. 37. Minnesota Statutes 1982, section 176.101, is amended by adding a subdivision to read:

Subd. 3f. [ACCEPTANCE OF JOB OFFER.] If the employee accepts of job offer described in subdivision 3e and begins work at that job, the impairment compensation shall be paid in a lump sum 30 calendar days after the return to work.

Sec. 38. Minnesota Statutes 1982, section 176.101, is amended by adding a subdivision to read:

Subd. 3g. [TEMPORARY PARTIAL COMPENSATION.] An employee who accepts a job under subdivision 3e and begins that job shall receive temporary partial compensation pursuant to subdivision 2, if appropriate.

Sec. 39. Minnesota Statutes 1982, section 176.101, is amended by adding a subdivision to read:

Subd. 3h. [LAYOFF BECAUSE OF LACK OF WORK OR RELEASED FOR OTHER THAN SEASONAL CONDITIONS.] (a) If an employee accepts a job under subdivision 3e and begins work at that job and is subsequently unemployed because of economic conditions, other than seasonal conditions, the employee shall receive monitoring period compensation pursuant to clause (b). In addition, the employer who was the employer at the time of the injury shall provide rehabilitation consultation by a qualified rehabilitation consultant if the employee remains unemployed for 45 calendar days. The commissioner may waive this rehabilitation consultation if the commissioner deems it appropriate. Further rehabilitation, if deemed appropriate, is governed by section 176.102.

(b) Upon the employee's initial return to work the monitoring period begins to run. If the employee is unemployed for the reason in clause (a), prior to the end of the monitoring period the employee shall receive monitoring period compensation. This compensation shall be paid for the lesser of (1) the weeks remaining in the monitoring period, or (2) the weeks equal to the monitoring period minus the impairment compensation paid to the employee. For purposes of this clause the impairment compensation shall be converted to weeks by dividing the impairment compensation received by the employee by the employee's compensation rate for temporary total disability at the time of the injury. No monitoring period compensation is payable if the unemployment occurs after the expiration of the monitoring period. Monitoring period compensation is payable at the same intervals and amount as temporary total compensation was paid.

(c) If the employee returns to work and is still receiving monitoring period compensation, this compensation shall cease. Any period remaining in the monitoring period upon this return to work shall be used to determine further benefits if the employee is again unemployed under clause (a).

(d) Upon the employee's return to work pursuant to this section the employer shall notify the employee of the length of the employee's monitoring period and shall notify the employee of the amount of impairment to be paid and the date of payment.

Sec. 40. Minnesota Statutes 1982, section 176.101, is amended by adding a subdivision to read:

Subd. 3i. [MEDICALLY UNABLE TO CONTINUE WORK.] (a) If the employee has started the job offered under subdivision 3e and is medically unable to continue at that job, that employee shall receive compensation pursuant to clause (b). In addition, the employer who was the employer at the time of the injury shall provide rehabilitation consultation by a qualified rehabilitation consultant. Further rehabilitation, if deemed appropriate, is governed by section 176.102.

(b) Compensation shall be paid for up to 90 days after the employee has reached maximum medical improvement or 90 days after the end of an approved retraining plan or 90 days after the employee has ceased work because of medical inability to continue, whichever is later. The temporary total compensation shall cease at any time within the 90-day period that the employee begins work meeting the requirements of subdivision 3e. If no such job is offered to the employee by the end of this 90-day period, the employee shall receive economic recovery compensation pursuant to this section except that this economic recovery compensation shall be reduced by the impairment compensation previously received by the employee for the same disability.

Sec. 41. Minnesota Statutes 1982, section 176.101, is amended by adding a subdivision to read:

Subd. 3j. [UNEMPLOYMENT DUE TO SEASONAL CONDITION.] If an employee has started the job offered under subdivision 3e and is subsequently unemployed from that job because of the job's seasonal nature, the employee shall receive any unemployment compensation the employee is eligible for pursuant to chapter 268. The employee shall receive, in addition and concurrently, the amount that the employee was receiving for temporary partial disability at the time of the layoff. No further or additional compensation is payable under this chapter because of the seasonal layoff.

Sec. 42. Minnesota Statutes 1982, section 176.101, is amended by adding a subdivision to read:

Subd. 3k. [FAILURE TO ACCEPT JOB OFFER.] If the employee has been offered a job under subdivision 3e and has refused the offer for reasons other than the employee is in an approved retraining program, the impairment compensation shall not be paid in a lump sum but shall be paid in the same interval and amount that temporary total compensation was paid. Temporary total compensation shall cease upon the employee's refusal to accept the job offered and no further or additional temporary total compensation is payable. The payment of the periodic impairment compensation shall cease when the

amount the employee is eligible to receive under subdivision 3b is reached, after which time the employee shall not receive additional impairment compensation or any other compensation under this chapter unless the employee has a greater permanent partial disability than already compensated for.

Sec. 43. Minnesota Statutes 1982, section 176.101, is amended by adding a subdivision to read:

Subd. 3l. [RETURN TO WORK AFTER REFUSAL OF JOB OFFER.] If the employee has refused the job offer under subdivision 3e and is receiving periodic impairment compensation and returns to work at another job, the employee shall receive the remaining impairment compensation due, in a lump sum, 30 days after return to work:

Sec. 44. Minnesota Statutes 1982, section 176.101, is amended by adding a subdivision to read:

Subd. 3m. [NO TEMPORARY PARTIAL COMPENSATION OR REHABILITATION IF JOB OFFER REFUSED.] An employee who has been offered a job under subdivision 3 and who has refused the offer and who subsequently returns to work shall not receive temporary partial compensation pursuant to subdivision 2 if the job the employee returns to provides a wage less than the wage at the time of the injury. No rehabilitation shall be provided to this employee.

Sec. 45. Minnesota Statutes 1982, section 176.101, is amended by adding a subdivision to read:

Subd. 3n. [INABILITY TO RETURN TO WORK.] (a) An employee who is permanently totally disabled pursuant to subdivision 5 shall receive impairment compensation pursuant to subdivision 3b. This compensation is payable in addition to permanent total compensation pursuant to subdivision 4 and is payable concurrently. In this case the impairment compensation shall be paid in the same intervals and amount as the permanent total compensation is paid, and the impairment compensation shall cease when the amount due under subdivision 3b is reached. If this employee returns to work at any job during the period the impairment compensation is being paid, the remaining impairment compensation due shall be paid in a lump sum 30 days after the employee has returned to work and no further temporary total compensation shall be paid.

(b) If an employee is receiving or has received economic recovery compensation and is determined to be permanently totally disabled no offset shall be taken against permanent total compensation for the compensation paid. No further economic recovery compensation is payable even if the amount due the employee pursuant to subdivision 3a has not yet been reached.

(c) *If the employee has or is receiving impairment compensation and is determined to be permanently totally disabled no credit shall be taken for the compensation received. If any of this compensation remains to be paid, it shall cease and clause (d) of this subdivision applies.*

(d) *An employee who has received economic recovery compensation or impairment compensation and who meets the criteria under clause (b) or (c) of this subdivision shall receive impairment compensation pursuant to clause (a) of this subdivision even if the employee has previously received economic recovery compensation or impairment compensation for that disability.*

(e) *Rehabilitation consultation pursuant to section 176.102 shall be provided to an employee who is permanently totally disabled.*

Sec. 46. Minnesota Statutes 1982, section 176.101, is amended by adding a subdivision to read:

Subd. 30. [NO JOB OFFER.] Where the employee has a permanent partial disability and has reached maximum medical improvement or upon completion of an approved retraining program, whichever is later, that employee shall receive economic recovery compensation pursuant to subdivision 3a if no job offer meeting the criteria of the job in subdivision 3e is made within 90 days after reaching maximum medical improvement or 90 days after the end of an approved retraining plan, whichever is later.

Temporary total compensation shall cease upon commencement of the payment of economic recovery compensation. Temporary total compensation shall not be paid concurrently with economic recovery compensation.

Sec. 47. Minnesota Statutes 1982, section 176.101, is amended by adding a subdivision to read:

Subd. 3p. [METHOD OF PAYMENT OF ECONOMIC RECOVERY COMPENSATION.] (a) Economic recovery compensation is payable at the same intervals and in the same amount as temporary total compensation was paid. If the employee returns to work and the economic recovery compensation is still being paid, the remaining economic recovery compensation due without further adjustments under section 176.645 shall be paid in a lump sum 30 days after the employee has returned to work.

(b) *Periodic economic recovery compensation paid to the employee shall be adjusted pursuant to section 176.645.*

Sec. 48. Minnesota Statutes 1982, section 176.101, is amended by adding a subdivision to read:

Subd. 3q. [PAYMENT OF COMPENSATION AT DEATH.] *If an employee receiving economic recovery compensation or impairment compensation in periodic amounts dies during the period from causes unrelated to the injury, the compensation shall be paid in the following manner:*

(a) *If the deceased employee leaves a dependent surviving spouse and no dependent children, as defined by section 176.111, subdivision 1, the spouse shall receive the weekly economic recovery or impairment compensation that the deceased was receiving before the death. This compensation shall be paid for a period of up to ten years after the date of death at which time payments and future entitlement to it ceases.*

(b) *If the deceased employee leaves a dependent spouse and dependent children, as defined in section 176.111, subdivision 1, the periodic economic recovery or impairment compensation shall continue to be paid to the surviving spouse for up to ten years after the youngest child is no longer dependent after which time payments and future entitlement to the compensation ceases.*

(c) *Payment of compensation under this subdivision shall cease prior to the end of the ten-year periods in this subdivision if the amount to which the employee is entitled to receive under subdivision 3, 3a, or 3b, is reached prior to the end of the ten-year period. If the deceased employee is not survived by dependent children or a dependent spouse as defined by section 176.111, no further economic recovery compensation or impairment compensation is payable to any person under this subdivision.*

(d) *If the death results from the injury, the payment of economic recovery compensation or impairment compensation shall cease upon the death and death benefits are payable pursuant to section 176.111.*

Sec. 49. Minnesota Statutes 1982, section 176.101, is amended by adding a subdivision to read:

Subd. 3r. [ADDITIONAL ECONOMIC RECOVERY COMPENSATION OR IMPAIRMENT COMPENSATION.] *No additional economic recovery compensation or impairment compensation is payable to an employee who has received that compensation to which the employee is entitled pursuant to subdivision 3a or 3b unless the employee has a greater permanent partial disability than already compensated.*

Sec. 50. Minnesota Statutes 1982, section 176.101, is amended by adding a subdivision to read:

Subd. 3s. [MINIMUM ECONOMIC RECOVERY COMPENSATION.] (a) *Economic recovery compensation pursu-*

ant to this section shall be at least 120 percent of the impairment compensation the employee would receive if that compensation were payable to the employee. The monitoring period shall be at least 120 percent of the weeks during which impairment compensation would be payable if paid weekly.

(b) An employee who has suffered a personal injury for which temporary total compensation is payable but which produces no permanent partial disability shall receive 26 weeks of economic recovery compensation if no job is offered within the time specified in and meeting the criteria of subdivision 3e.

Sec. 51. Minnesota Statutes 1982, section 176.101, is amended by adding a subdivision to read:

Subd. 3t. [MEDICAL BENEFITS.] This section does not in any way limit the medical benefits to which an injured employee is otherwise entitled pursuant to this chapter.

Sec. 52. Minnesota Statutes 1982, section 176.101, is amended by adding a subdivision to read:

Subd. 3u. [ADMINISTRATIVE CONFERENCE.] The provisions of section 176.242 apply if there exists a dispute regarding maximum medical improvement or whether the job offered meets the criteria under subdivision 3e.

Sec. 53. Minnesota Statutes 1982, section 176.101, is amended by adding a subdivision to read:

Subd. 4a. [PREEXISTING CONDITION OR DISABILITY; APPORTIONMENT.] (a) If a personal injury results in a disability which is attributable in part to a preexisting disability that arises from a congenital condition or is the result of a traumatic injury or incident, whether or not compensable under this chapter, the compensation payable for the permanent partial disability pursuant to this section shall be reduced by the proportion of the disability which is attributable only to the preexisting disability. An apportionment of a permanent partial disability under this subdivision shall be made only if the preexisting disability is registered under section 176.131, or is clearly evidenced in a medical report or record made prior to the current personal injury. Evidence of registration or a copy of the medical report or record upon which apportionment is based shall be made available to the employee by the employer at the time compensation for the permanent partial disability is begun.

(b) The compensable portion of the permanent partial disability under this section shall be paid at the rate at which the entire disability would be compensated but for the apportionment.

Sec. 54. Minnesota Statutes 1982, section 176.101, is amended by adding a subdivision to read:

Subd. 4b. [LEGISLATIVE INTENT.] The legislature reaffirms its intent that the reduction of compensation benefits pursuant to subdivision 4 is applicable after an employee has received a total of \$25,000 of weekly compensation including compensation under subdivisions 1, 2, and 4 of this section.

Sec. 55. Minnesota Statutes 1982, section 176.101, subdivision 6, is amended to read:

Subd. 6. [MINORS.] If any employee entitled to the benefits of this chapter is a minor or is an apprentice of any age and sustains a personal injury arising out of and in the course of employment resulting in permanent total or a compensable permanent partial disability, for the purpose of computing the compensation to which (HE) *the employee* is entitled for (SAID) *the injury* the compensation rate for temporary total, temporary partial, (RETRAINING,) a permanent partial or permanent total disability or economic recovery compensation shall be the (LARGER OF EITHER THE) statewide average weekly wage (OR THE EMPLOYEES WEEKLY WAGE, BUT IN NO CASE SHALL THE COMPENSATION EXCEED THE MAXIMUM WEEKLY COMPENSATION RATE PAYABLE UNDER THIS CHAPTER).

Sec. 56. Minnesota Statutes 1982, section 176.101, is amended by adding a subdivision to read:

Subd. 8. [RETIREMENT PRESUMPTION.] For injuries occurring after the effective date of this subdivision an employee who receives social security old age and survivors insurance retirement benefits is presumed retired from the labor market. This presumption is rebuttable by a preponderance of the evidence.

Sec. 57. Minnesota Statutes 1982, section 176.102, subdivision 1, is amended to read:

Subdivision 1. [SCOPE.] (VOCATIONAL) Rehabilitation (SHALL TRAIN AN) is intended to restore the injured employee, through physical and vocational rehabilitation, so (HE) the employee may (BE RETURNED) return to a job related to (HIS) the employee's former employment or to a job in another work area which produces an economic status as close as possible to that (HE) the employee would have enjoyed without disability. Rehabilitation to a job with a higher economic status than would have occurred without disability is permitted if it can be demonstrated that this rehabilitation is necessary to increase the likelihood of reemployment. Economic status is to be measured not only by opportunity for immediate income but also by opportunity for future income.

Sec. 58. Minnesota Statutes 1982, section 176.102, subdivision 2, is amended to read:

Subd. 2. [ADMINISTRATORS.] The commissioner (OF LABOR AND INDUSTRY) shall hire a director of rehabilitation services in the classified service. The commissioner (OF LABOR AND INDUSTRY IS RESPONSIBLE FOR SUPERVISING) shall monitor and supervise rehabilitation services, including, but not limited to, making determinations regarding the selection and delivery of medical care and rehabilitation services and the criteria used to approve qualified rehabilitation consultants and rehabilitation vendors. The commissioner may also make determinations regarding fees for rehabilitation services, the fitness of qualified rehabilitation consultants and vendors to continue to be approved under this section and has authority to discipline, by fine or otherwise, the consultants or vendors who act in violation of this chapter or rules adopted pursuant to this chapter. The commissioner (OF LABOR AND INDUSTRY) may hire qualified personnel to assist in his duties under this section and may delegate his duties and performance.

Sec. 59. Minnesota Statutes 1982, section 176.102, subdivision 3, is amended to read:

Subd. 3. [REVIEW PANEL.] There is created a rehabilitation review panel composed of the commissioner (OF LABOR AND INDUSTRY) or (HIS) a designee, who shall serve as an ex officio member and two members each from (LABOR, EMPLOYERS,) insurers, (VOCATIONAL) rehabilitation, and medicine (AND), one member representing chiropractors, four members representing employers and four members representing labor. The members shall be appointed by the (GOVERNOR) commissioner and shall serve (FOUR YEAR) four-year terms which may be renewed. Compensation for members shall be governed by section 15.0575. The panel shall select a chairman. The panel shall ((A)) review and make a determination with respect to (a) appeals regarding eligibility for rehabilitation services, rehabilitation plans and rehabilitation benefits under subdivision 9; (b) (HOLD) appeals on any other rehabilitation issue the commissioner determines under this section; and (c) appeals regarding fee disputes, penalties, discipline, certification approval or revocation (OF CERTIFICATION APPROVAL HEARINGS; (C)) of registration of qualified rehabilitation consultants and approved vendors. The panel shall continuously study rehabilitation (;) services and delivery and ((D)) develop and recommend rehabilitation rules (AS NECESSARY) to the commissioner (OF LABOR AND INDUSTRY. A MAJORITY VOTE OF THOSE ATTENDING A PANEL HEARING UNDER SUBDIVISION 6 SHALL CONSTITUTE THE DECISION OF THE BOARD).

Sec. 60. Minnesota Statutes 1982, section 176.102, is amended by adding a subdivision to read:

Subd. 3a. [REVIEW PANEL APPEALS.] Appeals to the review panel shall be heard before a panel of three members designated by the review panel. Each three-member panel shall consist of one labor member, one employer or insurer member, and one member representing medicine or chiropractic or rehabilitation. The determination of the three-member panel shall be by a majority vote and the determination shall represent the determination of the rehabilitation review panel. Such determinations are not subject to review by the panel as a whole. When conducting a review of the commissioner's determination regarding any rehabilitation issue or plan the panel shall give the parties notice that the appeal will be heard. This notice shall be given at least ten working days prior to the hearing. The notice shall state that parties may be represented by counsel at the hearing. In conducting its review the panel shall permit an interested party to present relevant, competent, oral or written evidence and to cross-examine opposing evidence. Evidence presented is not limited to the evidence previously submitted to the commissioner. A record of the proceeding shall be made by the panel. Upon determination of the issue presented, the panel shall issue to the interested parties a written decision and order. The decision need not contain a recitation of the evidence presented at the hearing, but shall be limited to the panel's basis for the decision.

Sec. 61. Minnesota Statutes 1982, section 176.102, subdivision 4, is amended to read:

Subd. 4. [REHABILITATION PLAN; DEVELOPMENT.] (WITHIN 30 DAYS OF THE TIME AN EMPLOYER OR HIS INSURER HAS MEDICAL INFORMATION THAT AN EMPLOYEE IS UNABLE DUE TO A PERSONAL INJURY OR OCCUPATIONAL DISEASE TO RETURN TO HIS PREINJURY OCCUPATION THE EMPLOYER SHALL PROVIDE REHABILITATION CONSULTATION FOR THE EMPLOYEE. THE EMPLOYEE, HOWEVER, HAS THE FINAL DECISION ON WHICH REHABILITATION AGENCY IS TO BE UTILIZED PURSUANT TO THE PROVISIONS OF THIS SECTION. THE CONSULTATION SHALL BE DONE BY ANY PERSON OR PUBLIC OR PRIVATE INSTITUTION APPROVED BY THE COMMISSIONER OF LABOR AND INDUSTRY. IF THE CONSULTANT DETERMINES REHABILITATION WOULD SIGNIFICANTLY REDUCE OR ELIMINATE THE DECREASE IN EMPLOYABILITY, THE EMPLOYER OR INSURER IN CONJUNCTION WITH THE REHABILITATION CONSULTANT SHALL SUBMIT A SPECIFIC PLAN OF REHABILITATION TO THE COMMISSIONER. IF THE EMPLOYER DOES NOT PROVIDE REHABILITATION CONSULTATION, WHEN REQUIRED BY THIS SECTION, WITHIN THE TIME SPECIFIED BY THIS SUBDIVISION, THE COMMISSIONER OF LABOR AND INDUSTRY SHALL NOTIFY THE EMPLOYER AND INSURER THAT SHOULD THEY FAIL TO PROVIDE RE-

HABILITATION CONSULTATION WITHIN 15 DAYS FROM THE RECEIPT OF THE COMMISSIONER'S NOTICE, THE DIVISION OF VOCATIONAL REHABILITATION SHALL BE AUTHORIZED TO PROVIDE THE REHABILITATION CONSULTATION FOR THE EMPLOYEE. IF THE EMPLOYEE REFUSES TO SUBMIT TO ANY REASONABLE EXAMINATIONS AND EVALUATIVE PROCEDURES TO DETERMINE THE NEED FOR AND THE DETAILS OF A PLAN OF REHABILITATION, THE AMOUNT OF COMPENSATION MAY BE REDUCED OR THE RIGHT TO COMPENSATION MAY BE SUSPENDED BY AN ORDER OF THE DIVISION OR WORKERS' COMPENSATION COURT OF APPEALS IN A MATTER BEFORE IT. IN DEVELOPING A PLAN, CONSIDERATION SHALL BE GIVEN TO THE EMPLOYEE'S AGE, EDUCATION, PREVIOUS WORK HISTORY, INTERESTS AND SKILLS.) (a) *An employer or insurer shall provide rehabilitation consultation by a qualified rehabilitation consultant to an injured employee within five days after the employee has 60 days of lost work time due to the personal injury, except as otherwise provided in this subdivision. Where an employee has incurred an injury to the back, the consultation shall be made within five days after the employee has 30 days of lost work time due to the injury. The lost work time in either case may be intermittent lost work time. If an employer or insurer has medical information at any time prior to the time specified in this subdivision that the employee will be unable to return to the job the employee held at the time of the injury rehabilitation consultation shall be made immediately after receipt of this information.*

For purposes of this section "lost work time" means only those days during which the employee would actually be working but for the injury. In the case of the construction industry, mining industry, or other industry where the hours and days of work are affected by seasonal conditions, "lost work time" shall be computed by using the normal schedule worked when employees are working full time.

If the employee objects to the employer's selection of a qualified rehabilitation consultant, the employee shall notify the employer and the commissioner in writing of the objection.

Upon receipt of the notice of objection, the commissioner may schedule an administrative conference for the purpose of determining which qualified rehabilitation consultant may be mutually acceptable. The employee has the final decision on which qualified rehabilitation consultant is to be utilized.

The employee and employer shall enter into a program if one is prescribed in a rehabilitation plan. A copy of the plan, including a target date for return to work, shall be submitted to the commissioner.

(b) *If the employer does not provide rehabilitation consultation as required by this section, the commissioner shall notify the employer that if the employer fails to appoint a qualified rehabilitation consultant within 15 days to conduct a rehabilitation consultation, the commissioner shall appoint a qualified rehabilitation consultant to provide the consultation at the expense of the employer unless the commissioner determines the consultation is not required.*

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

(d) *The commissioner may waive rehabilitation consultation under this section if the commissioner is satisfied that the employee will return to work in the near future or that rehabilitation consultation will not be useful in returning an employee to work.*

Sec. 62. Minnesota Statutes 1982, section 176.102, subdivision 5, is amended to read:

Subd. 5. [ON THE JOB TRAINING.] On the job training is to be given consideration in developing a rehabilitation plan especially where it would produce an economic status similar to that enjoyed prior to disability. (WHEN A REHABILITATION PLAN INCLUDES ON THE JOB TRAINING, THE EMPLOYEE SHALL RECEIVE COMPENSATION WHILE EMPLOYED IN AN AMOUNT EQUAL TO THE AFTER TAX WAGE THE EMPLOYEE RECEIVED AT THE TIME OF THE PERSONAL INJURY. THIS COMPENSATION SHALL BE PAID IN WHOLE OR IN PART BY THE INSURER LIABLE FOR COMPENSATION FOR THE EMPLOYEE'S PERSONAL INJURY. THE AMOUNT OF COMPENSATION TO BE PAID BY THIS INSURER SHALL BE DETERMINED IN THE REHABILITATION PLAN PREPARED PURSUANT TO THIS SECTION. ANY DIFFERENCE BETWEEN THE AMOUNT OF COMPENSATION THE INSURER IS PAYING AND THE AFTER TAX WAGE THE EMPLOYEE RECEIVED AT THE TIME OF THE PERSONAL INJURY SHALL BE PAID BY THE ON THE JOB EMPLOYER, BUT IN NO CASE SHALL THIS EMPLOYER'S AMOUNT EXCEED THE PREVAILING WAGE FOR THE JOB. AFTER TAX WAGE SHALL BE DETERMINED BY SUBTRACTING FEDERAL AND STATE INCOME TAX FROM THE EMPLOYEE'S GROSS WAGE.)

(A REHABILITATION PLAN WHICH INCLUDES ON THE JOB TRAINING SHALL ATTEMPT TO CREATE AN INCENTIVE FOR AN EMPLOYER TO HIRE THE EMPLOYEE FOR ON THE JOB TRAINING. THIS INCENTIVE

MAY BE IN THE FORM OF REDUCING THE ON THE JOB TRAINING EMPLOYER'S WAGES PAID TO THE EMPLOYEE TO A LEVEL WHICH IS LESS THAN THE PREVAILING WAGE FOR THE JOB, PROVIDED THAT THE TOTAL COMPENSATION FROM THE INSURER, REQUIRED BY THIS SECTION, AND THE WAGES PAID BY THE ON THE JOB TRAINING EMPLOYER IS NOT LESS THAN THE AFTER TAX WAGE RECEIVED BY THE EMPLOYEE AT THE TIME OF THE PERSONAL INJURY. THE COMPENSATION FROM THE INSURER AND THE ON THE JOB TRAINING EMPLOYER PAID PURSUANT TO THIS SUBDIVISION IS IN LIEU OF TEMPORARY TOTAL DISABILITY PAYMENTS AND THE ADDITIONAL COMPENSATION PROVIDED IN SUBDIVISION 11.)

Sec. 63. Minnesota Statutes 1982, section 176.102, subdivision 6, is amended to read:

Subd. 6. [PLAN, ELIGIBILITY FOR REHABILITATION, APPROVAL AND APPEAL.] The commissioner (OF LABOR AND INDUSTRY) shall *determine eligibility for rehabilitation services and shall review, approve, modify or reject rehabilitation plans developed under subdivision 4. The commissioner shall also make determinations regarding rehabilitation issues not necessarily part of a plan including, but not limited to, determinations regarding whether an employee is eligible for further rehabilitation and the benefits under subdivision 9 to which an employee is entitled.* (ANY PERSONS AGGRIEVED BY) A decision of the commissioner may (APPEAL) *be appealed to the rehabilitation review panel within 30 days of the commissioner's decision. The decision of the panel may be appealed to the workers' compensation court of appeals in the same manner as other matters appealed to the court.* (THE PANEL MAY APPROVE OR REJECT THE DECISION OF THE COMMISSIONER. IF IT REJECTS THE COMMISSIONER'S DECISION IT MAY FORMULATE ITS OWN REHABILITATION PLAN.)

Sec. 64. Minnesota Statutes 1982, section 176.102, is amended by adding a subdivision to read:

Subd. 6a. [ELIGIBILITY DETERMINATION.] *The commissioner has the sole authority under this chapter to determine eligibility for rehabilitation services under this section and to review, approve, modify, or reject rehabilitation plans and make other rehabilitation determinations pursuant to this chapter. These determinations shall not be made by a compensation judge but may be appealed to the rehabilitation review panel and workers' compensation court of appeals as provided by subdivision 6.*

Sec. 65. Minnesota Statutes 1982, section 176.102, subdivision 7, is amended to read:

Subd. 7. [PLAN IMPLEMENTATION; REPORTS.] Upon request by the commissioner, insurer (OR), employer, or employee, medical and rehabilitation reports shall be made by the provider of the medical and rehabilitation service to the commissioner (OF LABOR AND INDUSTRY), insurer (AND), employer, and employee (OF AN EMPLOYEE'S PROGRESS UNDER A PLAN).

Sec. 66. Minnesota Statutes 1982, section 176.102, subdivision 8, is amended to read:

Subd. 8. [PLAN MODIFICATION.] Upon request (OF) to the commissioner by the employer, the insurer, or employee (TO THE COMMISSIONER), or upon the commissioner's own request, the plan may be suspended, terminated or altered upon a showing of good cause (THEREFOR), including:

(a) a physical impairment that does not allow the employee to pursue the (VOCATION BEING TRAINED FOR) rehabilitation plan;

(b) the employee's performance level indicates (HE CANNOT COMPLETE) the plan will not be successfully completed; or

(c) an employee does not cooperate with a plan.

An employee may request a change in a rehabilitation plan once because (HE) the employee feels (HE IS NOT SUITED) ill-suited for the type of work for which (TRAINING) rehabilitation is being provided if the request is made within 90 days of the start of the plan. Any decision of the commissioner regarding a change in a plan may be appealed to the rehabilitation review panel within (15) 30 days of the decision.

Sec. 67. Minnesota Statutes 1982, section 176.102, subdivision 9, is amended to read:

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

(a) Cost of (VOCATIONAL) rehabilitation (DIAGNOSIS) evaluation and preparation of a plan;

(b) Cost of all rehabilitation services and supplies necessary for implementation of the plan;

(c) Reasonable cost of tuition, books and travel; and, in addition, reasonable costs of board (AND), lodging and custodial daycare when rehabilitation requires residence away from the employee's customary residence; (AND)

(d) *Reasonable cost of travel and custodial daycare during the job interview process;*

(e) *Reasonable cost for moving expenses of the employee and family if a job is found in a geographic area beyond reasonable commuting distance after a diligent search within the present community. Relocation shall not be paid more than once during any rehabilitation program, and relocation shall not be required if the new job is located within the same standard metropolitan statistical area as the employee's job at the time of injury; and*

(f) Any other expense agreed to be paid.

Sec. 68. Minnesota Statutes 1982, section 176.102, subdivision 10, is amended to read:

Subd. 10. [REHABILITATION; CONSULTANTS.] The commissioner shall approve rehabilitation consultants who may propose and implement plans if they satisfy rules (PROMULGATED) adopted by the commissioner for rehabilitation consultants. A consultant may be an individual or public or private entity, *but may not be a vendor or the agent of a vendor of rehabilitation services.*

Sec. 69. Minnesota Statutes 1982, section 176.102, subdivision 11, is amended to read:

Subd. 11. [(COMPENSATION DURING REHABILITATION) RETRAINING.] (THE INSURER OR EMPLOYER SHALL PAY UP) *Retraining is limited to 156 weeks (OF COMPENSATION DURING REHABILITATION UNDER A PLAN IN AN AMOUNT EQUAL TO 125 PERCENT OF THE EMPLOYEE'S RATE FOR TEMPORARY TOTAL DISABILITY. THIS PAYMENT IS IN LIEU OF PAYMENT FOR TEMPORARY TOTAL, TEMPORARY PARTIAL, OR PERMANENT TOTAL DISABILITY TO WHICH THE EMPLOYEE MIGHT OTHERWISE BE ENTITLED FOR THIS PERIOD UNDER THIS CHAPTER, BUT SHALL BE CONSIDERED TO BE THE EQUIVALENT OF TEMPORARY TOTAL DISABILITY FOR THE PURPOSES OF SECTION 176.132. IF ON THE JOB TRAINING IS PART OF THE REHABILITATION PROGRAM, THE WEEKS DURING WHICH THE INSURER OR EMPLOYER PAYS COMPENSATION PURSUANT TO SUBDIVISION 5 SHALL BE SUBTRACTED FROM THE 156 WEEKS OF RETRAINING COMPENSATION WHICH HAS BEEN PAID, IF ANY, PURSUANT TO THIS SUBDIVISION. THIS SUBDIVISION SHALL NOT APPLY TO RETRAINING BENEFITS FOR WHICH LIABILITY HAS BEEN ESTABLISHED PRIOR TO JULY 1, 1979).*

Sec. 70. Minnesota Statutes 1982, section 176.102, is amended by adding a subdivision to read:

Subd. 11a. [APPLICABILITY OF SECTION.] This section is applicable to all employees injured prior to or on and after October 1, 1979, except for those provisions which affect an employee's monetary benefits.

Sec. 71. Minnesota Statutes 1982, section 176.102, is amended by adding a subdivision to read:

Subd. 13. [DISCONTINUANCE.] All benefits payable under chapter 176 may, after a determination and order by the commissioner, be discontinued or forfeited for any time during which the employee refuses to submit to any reasonable examinations and evaluative procedures ordered by the commissioner to determine the need for and details of a plan of rehabilitation, or refuses to participate in rehabilitation evaluation as required by this section or does not make a good faith effort to participate in a rehabilitation plan. A discontinuance under this section is governed by section 176.242.

Sec. 72. [176.103] [MEDICAL HEALTH CARE REVIEW.]

Subd. 1. [PURPOSE.] It is the purpose of this section to provide for review of clinical health care providers who render services to injured employees. This review shall be achieved by establishing a quality control system within the department of labor and industry.

The commissioner shall hire a medical consultant to assist in the administration of this section.

The medical consultant shall be a doctor of medicine licensed under the laws of Minnesota.

The medical consultant shall perform all duties assigned by the commissioner relating to the supervision of the total continuum of care of injured employees and shall also advise the department on matters on which the commissioner requests the consultant's advice or if the consultant deems it appropriate.

Subd. 2. [SCOPE.] The commissioner shall monitor the medical, surgical, and hospital treatment provided to injured employees or the services of other health care providers. This monitoring shall include determinations concerning the appropriateness of the service, whether the treatment is necessary and effective, the proper cost of services, the quality of the treatment, the right of providers to receive payment under this chapter for services rendered or the right to receive payment under this chapter for future services. The commissioner may penalize, disqualify, or suspend a provider from receiving payment for services rendered under this chapter, if the commissioner determines that the provider has violated any part of this chapter or rule adopted under this chapter. The commissioner's

authority under this section also includes the authority to make determinations regarding any other activity involving the questions of utilization of medical services, and any other determination the commissioner deems necessary for the proper administration of this section.

The commissioner has the sole authority to make determinations under this section with a right of appeal to the medical services review board as provided in subdivision 3 and the workers' compensation court of appeals. A compensation judge has no jurisdiction in making determinations under this section.

Subd. 3. [MEDICAL SERVICES REVIEW BOARD; SELECTION; POWERS.] (a) There is created a medical services review board composed of the commissioner or the commissioner's designee, one person representing chiropractic and seven medical practitioners representing different specialties which the commissioner determines are the most frequently utilized by injured employees. The board shall also have one member representing employees, one member representing employers or insurers, and one member representing the general public. The members shall be appointed by the commissioner and shall be governed by section 15.0575. Terms of the board's members may be renewed. The board shall appoint from among its members a clinical advisory subcommittee on clinical quality and a clinical advisory subcommittee on clinical cost containment. Each subcommittee shall consist of at least three members.

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

The clinical cost containment subcommittee shall review and recommend to the commissioner rates for individual clinical procedures and aggregate costs. The subcommittees shall make regular reports to the board and the commissioner which shall evaluate the reports for the purpose of determining whether or not a particular health care provider continues to qualify for payment under chapter 176 or is subject to any other sanctions or penalties authorized under this section and to determine whether an employee has been off work longer than necessary.

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

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

In its consideration of these factors, the board shall utilize the information and recommendations developed by the subcommittees. In addition, the board shall utilize any other data developed by the subcommittees pursuant to the duties assigned to the subcommittees under this section.

After making a determination, the board shall submit its recommendation in writing to the commissioner. The board shall advise the commissioner on the adoption of rules regarding all aspects of medical care and services provided to injured employees.

(b) The board shall appoint three of its members to hear appeals from decisions of the commissioner regarding quality control and supervision of medical care; any other disputes regarding medical, surgical, and hospital care; decisions regarding the eligibility of medical providers to receive payments; or any other determinations of the commissioner pursuant to subdivision 2. The three-member panel shall be composed of one member who does not represent a health care specialty, one member who represents the same specialty as the specialty at issue or, if the same specialty is not available, one member whose specialty is as close as possible considering the board's composition, and one member representing a different specialty. The three-member panel shall conduct a hearing in the same manner, giving the same notice and following other procedures required of the rehabilitation review panel in section 176.102, subdivision 3a. A majority vote of the three-member panel constitutes the decision of the board. This decision may be appealed to the workers' compensation court of appeals.

(c) In any situation where a conflict of interest prevents the appointment of a full three-member panel or in any other situation where the commissioner deems it necessary to resolve a conflict of interest, the commissioner may appoint a temporary substitute board member to serve until the situation creating the conflict of interest has been resolved.

Sec. 73. [176.104] [REHABILITATION PRIOR TO DETERMINATION OF LIABILITY.]

Subdivision 1. [DISPUTE.] If there exists a dispute regarding whether an injury arose out of and in the course and scope of employment and an employee has been disabled for the requisite time under section 176.102, subdivision 4 prior to determination of liability, the employee shall be referred by the commissioner to the division of vocational rehabilitation which shall provide rehabilitation consultation. The services provided by the division of vocational rehabilitation and the scope and term of the rehabilitation are governed by section 176.102 and rules adopted pursuant to that section. Rehabilitation costs and services under this subdivision shall be approved, rejected, or modified by the commissioner.

Subd. 2. [LIABILITY FOR PAST REHABILITATION.] If liability is determined after the employee has commenced rehabilitation under this section the liable party is responsible for the cost of rehabilitation provided and approved by the commissioner. Future rehabilitation after liability is established is governed by section 176.102.

Sec. 74. Minnesota Statutes 1982, section 176.105, is amended by adding a subdivision to read:

Subd. 4. The commissioner shall by rule adopt procedures to determine the percentage of loss of function of a part of the body based on the body as a whole, including internal organs, described in section 176.101, subdivision 3 and any other body part not listed in section 176.101, subdivision 3 which the commissioner deems appropriate.

Temporary rules shall be adopted for this purpose not later than January 1, 1985. Prior to the adoption of these rules, at least two public hearings shall be held by the commissioner, in addition to the requirements of sections 14.29 to 14.36. Notwithstanding sections 14.29 to 14.36, the temporary rules adopted under this subdivision shall be effective until superseded by permanent rules. The rules shall promote objectivity and consistency in the evaluation of permanent functional impairment due to personal injury and in the assignment of a numerical rating to the functional impairment.

Disability ratings and schedules shall be based on objective medical evidence.

Prior to adoption of temporary rules the commissioner of insurance shall conduct an analysis of the current permanent partial disability schedule for the purpose of determining the number and distribution of permanent partial disabilities and the average compensation for various permanent partial disabilities. The commissioner of labor and industry shall consider this analysis in adopting the rules under this subdivision and shall consider establishing a schedule which provides that the average award under the proposed schedule shall be approximately the same as the average award under the current schedule. The commissioner shall consider setting the compensation under the proposed schedule for the most serious conditions higher in comparison to the current schedule and shall consider decreasing awards for minor conditions in comparison to the current schedule.

The commissioner shall consider, among other factors, and shall not be limited to the following factors in developing rules for the evaluation and rating of functional disability and the schedule for permanent partial disability benefits:

(a) *the workability and simplicity of the procedures with respect to the evaluation of functional disability;*

(b) *the consistency of the procedures with accepted medical standards;*

(c) *rules, guidelines, and schedules that exist in other states that are related to the evaluation of permanent partial disability or to a schedule of benefits for functional disability;*

(d) *rules, guidelines, and schedules that have been developed by associations of health care providers or organizations;*

(e) *the effect the rules may have on reducing litigation;*

(f) *the treatment of preexisting disabilities with respect to the evaluation of permanent functional disability provided that any preexisting disabilities must be objectively determined by medical evidence; and*

(g) *symptomatology and loss of function and use of the injured member.*

The factors in clauses (a) to (g) shall not be used in any individual or specific workers' compensation claim under this chapter but shall only be used in the adoption of rules pursuant to this section.

Sec. 75. Minnesota Statutes 1982, section 176.111, subdivision 6, is amended to read:

Subd. 6. [SPOUSE, NO DEPENDENT CHILD.] ((A)) If the deceased employee leaves a dependent surviving spouse and no dependent child, there shall be paid to the spouse (, AT THE OPTION OF THE SPOUSE, EITHER:)

((1)) A LUMP SUM SETTLEMENT EQUAL TO TEN FULL YEARS OF COMPENSATION AT 50 PERCENT OF THE DAILY WAGE AT THE TIME OF THE INJURY OF THE DECEASED, COMPUTED WITHOUT REGARD TO SECTION 176.645; OR)

((2)) weekly workers' compensation benefits at 50 percent of the daily wage at the time of the injury for a period of ten years, including adjustments as provided in section 176.645.

((B)) A DEPENDENT SURVIVING SPOUSE WHO HAS NOT ACCEPTED A LUMP SUM SETTLEMENT PURSUANT TO CLAUSE (A)(1) AND WHO REMARRIES SHALL RECEIVE THE LESSER OF EITHER:)

((1) A LUMP SUM SETTLEMENT EQUAL TO TWO FULL YEARS OF COMPENSATION AT 50 PERCENT OF THE DAILY WAGE AT THE TIME OF THE INJURY OF THE DECEASED, COMPUTED WITHOUT REGARD TO SECTION 176.645; OR)

((2) THE REMAINING WEEKLY WORKERS' COMPENSATION BENEFITS PURSUANT TO CLAUSE (A)(2) AT 50 PERCENT OF THE DAILY WAGE, INCLUDING ADJUSTMENTS AS PROVIDED IN SECTION 176.645.)

Sec. 76. Minnesota Statutes 1982, section 176.111, subdivision 7, is amended to read:

Subd. 7. [SPOUSE, ONE DEPENDENT CHILD.] (a) If the deceased employee leaves a surviving spouse and one dependent child, there shall be paid to the surviving spouse for the benefit of the spouse and child 60 percent of the daily wage at the time of the injury of the deceased until the child is no longer a dependent as defined in subdivision 1. At that time there shall be paid to the dependent surviving spouse (, AT THE OPTION OF THE SPOUSE, EITHER:)

((1) A LUMP SUM SETTLEMENT EQUAL TO TEN FULL YEARS OF COMPENSATION AT A RATE WHICH IS 16 2/3 PERCENT LESS THAN THE LAST WEEKLY WORKERS' COMPENSATION BENEFIT PAYMENT, AS DEFINED IN SUBDIVISION 8A, WHILE THE SURVIVING CHILD WAS A DEPENDENT, COMPUTED WITHOUT REGARD TO SECTION 176.645; OR)

((2)) weekly benefits at a rate which is 16 2/3 percent less than the last weekly workers' compensation benefit payment, as defined in subdivision 8a, while the surviving child was a dependent, for a period of ten years, including adjustments as provided in section 176.645.

((B) A SURVIVING SPOUSE WHO REMARRIES SHALL RECEIVE:)

((1) COMPENSATION, FOR THE BENEFIT OF THE DEPENDENT CHILD, ACCORDING TO THE ALLOCATION PROVIDED IN SUBDIVISION 10, UNTIL THE CHILD IS NO LONGER A DEPENDENT AS DEFINED IN SUBDIVISION 1; AND)

((2) A LUMP SUM SETTLEMENT, FOR THE BENEFIT OF THE SURVIVING SPOUSE, EQUAL TO TWO FULL YEARS OF WEEKLY BENEFITS IN AN AMOUNT WHICH EQUALS THE DIFFERENCE BETWEEN THE BENEFIT OTHERWISE PAYABLE UNDER CLAUSE (A) AND THE

AMOUNT PAYABLE TO THE DEPENDENT CHILD PURSUANT TO CLAUSE (B)(1.)

Sec. 77. Minnesota Statutes 1982, section 176.111, subdivision 8, is amended to read:

Subd. 8. [SPOUSE, TWO DEPENDENT CHILDREN.]
((A)) If the deceased employee leaves a surviving spouse and two dependent children, there shall be paid to the surviving spouse for the benefit of the spouse and children 66 2/3 percent of the daily wage at the time of the injury of the deceased until the youngest dependent child is no longer dependent. At that time the dependent surviving spouse shall be paid (, AT THE OPTION OF THE SPOUSE, EITHER:)

((1)) A LUMP SUM SETTLEMENT EQUAL TO TEN FULL YEARS OF COMPENSATION AT A RATE WHICH IS 25 PERCENT LESS THAN THE LAST WEEKLY WORKERS' COMPENSATION BENEFIT PAYMENT, AS DEFINED IN SUBDIVISION 8A, WHILE THE LAST SURVIVING CHILD WAS A DEPENDENT, COMPUTED WITHOUT REGARD TO SECTION 176.645; OR)

((2)) weekly benefits at a rate which is 25 percent less than the last weekly workers' compensation benefit payment, as defined in subdivision 8a, while the surviving child was a dependent, for a period of ten years, adjusted according to section 176.645.

((B)) A SURVIVING SPOUSE WHO REMARRIES SHALL RECEIVE COMPENSATION, FOR THE BENEFIT OF THE CHILDREN, ALLOCATED ACCORDING TO SUBDIVISION 10, UNTIL THE YOUNGEST DEPENDENT CHILD IS NO LONGER DEPENDENT AS DEFINED IN SUBDIVISION 1 AND, FOR THE BENEFIT OF THE SURVIVING SPOUSE, A LUMP SUM SETTLEMENT EQUAL TO TWO FULL YEARS OF WEEKLY BENEFITS IN AN AMOUNT WHICH EQUALS THE DIFFERENCE BETWEEN THE BENEFIT OTHERWISE PAYABLE PURSUANT TO CLAUSE (A) AND THE AMOUNT PAYABLE TO THE DEPENDENT CHILDREN ALLOCATED ACCORDING TO SUBDIVISION 10, COMPUTED WITHOUT REGARD TO SECTION 176.645.)

Sec. 78. Minnesota Statutes 1982, section 176.111, is amended by adding a subdivision to read:

Subd. 9a. [REMARRIAGE OF SPOUSE.] Remarriage of a surviving spouse who is receiving benefits under subdivision 6, 7, or 8 has no effect on the spouse's right to receive weekly benefits for the remaining period that the spouse is entitled to receive benefits pursuant to this section.

Sec. 79. Minnesota Statutes 1982, section 176.111, subdivision 18, is amended to read:

Subd. 18. [BURIAL EXPENSE.] In all cases where death results to an employee from a personal injury arising out of and in the course of employment, the employer shall pay the expense of burial, not exceeding in amount (\$1,000) \$2,500. In case any dispute arises as to the reasonable value of the services rendered in connection with the burial, (SUCH) *its* reasonable value shall be determined and approved by the commissioner (OF THE DEPARTMENT OF LABOR AND INDUSTRY), a compensation judge, or workers' compensation court of appeals, in cases upon appeal, before payment, after (SUCH) reasonable notice to interested parties as is required by the commissioner (OF THE DEPARTMENT OF LABOR AND INDUSTRY). If the deceased leave no dependents, no compensation is payable, except as provided by this chapter.

Sec. 80. Minnesota Statutes 1982, section 176.121, is amended to read:

176.121 [COMMENCEMENT OF COMPENSATION.]

In cases of temporary total or temporary partial disability no compensation (SHALL BE) *is* allowed for the three *calendar* days after the disability commenced, except as provided by section 176.135, nor in any case unless the employer has actual knowledge of the injury or is notified thereof within the period specified in section 176.141. If (SUCH) *the* disability continues for 10 *calendar* days or longer, (SUCH) *the* compensation (SHALL BE) *is* computed from the commencement of the disability. *Disability is deemed to commence on the first calendar day or fraction of a calendar day that the employee is unable to work.*

Sec. 81 [176.129] [CREATION OF THE SPECIAL COMPENSATION FUND.]

Subdivision 1. [DEPOSIT OF FUNDS.] The special compensation fund is created for the purposes provided for in this chapter. The state treasurer is the custodian of the special compensation fund. Sums paid to the commissioner pursuant to this section shall be deposited with the state treasurer for the benefit of the fund and used to pay the benefits under this chapter. Any interest or profit accruing from investment of these sums shall be credited to the special compensation fund. Subject to the provisions of this section, all the powers, duties, functions, obligations, and rights vested in the special compensation fund immediately prior to the effective date of this section are transferred to and vested in the special compensation fund recreated by this section. All rights and obligations of employers with regard to the special compensation fund which existed immediately prior

to the effective date of this section continue, subject to the provisions of this section.

Subd. 2. [PAYMENTS TO FUND, DEATH.] In every case of death of an employee resulting from personal injury arising out of and in the course of employment where there are no persons entitled to monetary benefits of dependency compensation, the employer shall pay to the commissioner the sum of \$5,000 for the benefit of the special compensation fund. In every case of death of an employee resulting from personal injury arising out of and in the course of employment where there are no persons entitled to at least \$5,000 in monetary benefits of dependency compensation, the employer shall pay to the commissioner for the benefit of the special compensation fund the difference between the amounts actually paid for the dependency benefits and \$5,000; but in no event shall the employer pay the commissioner less than \$1,000.

Subd. 3. [PAYMENTS TO FUND, INJURY.] If an employee suffers a personal injury resulting in permanent partial disability, temporary total disability, temporary partial disability, permanent total disability, or death and the employee or the employee's dependents are entitled to compensation under section 176.101 or 176.111 the employer shall pay to the commissioner a lump sum amount, without any interest deduction, equal to 20 percent of the total compensation payable. The rate under this subdivision shall remain constant and applies to injuries occurring prior to January 1, 1984, even if the payment is made on or after January 1, 1984. This payment is to be credited to the special compensation fund and shall be in addition to any compensation payments made by the employer under this chapter. Payment shall be made as soon as the amount is determined and approved by the commissioner.

Subd. 4. [TIME OF INJURY.] Subdivisions 2 and 3 apply to all workers' compensation payments paid under section 176.-101 or 176.111 for an injury or death occurring on or after June 1, 1971, but before January 1, 1984.

Payments made for personal injuries that occurred prior to June 1, 1971, shall be assessed at the rate in effect on the date of occurrence.

Subd. 5. [DETERMINATION OF AMOUNT PAYABLE.]
(a) For injuries occurring on or after January 1, 1984, employers shall pay an assessment as provided in this subdivision. The assessment base shall be determined according to a method established by rule adopted by the commissioner. In determining this method, the commissioner shall consider, among other things, the frequency of indemnity claims, equity, administrative convenience, records maintained by employer's insurers and self-insurers, amenability to audit, and degree of risk refinement.

(b) *Using the assessment base method established in clause (a), the commissioner shall annually determine the amount of the assessment base of each employer.*

(c) *The commissioner shall annually establish a uniform percentage rate to be applied to the assessment base determined pursuant to clause (b). In establishing this rate, the commissioner shall consider, among other things, the likely expenditures to be made by the special fund in the next calendar year, the current fiscal status of the fund, future expenditure trends, and the assessments estimated to be collected under subdivisions 2 and 3. The assessment rate multiplied by the assessment base of an employer is the assessment amount payable under this subdivision. The total amount assessed under this subdivision shall not exceed \$25,000,000 in calendar year 1984. The total amount which may annually be assessed under this subdivision may be increased by up to ten percent beginning on January 1, 1985, and each January 1 thereafter.*

(d) *An amount assessed pursuant to this subdivision is payable to the commissioner within 45 days of mailing notice of the amount due.*

Subd. 6. [PAYMENTS OUT OF FUND.] *The workers' compensation division, a compensation judge, the workers' compensation court of appeals, or district court in cases before them shall direct the distribution of benefits provided by this chapter. These benefits are payable in the same manner as other payments of compensation.*

Subd. 7. [REFUNDS.] *In case deposit is or has been made under subdivision 2 and dependency later is shown, or if deposit is or has been made pursuant to subdivision 2 or 3 by mistake or inadvertence, or under circumstances that justice requires a refund, the state treasurer is authorized to refund the deposit under order of the commissioner, a compensation judge, the workers' compensation court of appeals, or a district court. There is appropriated to the commissioner from the fund an amount sufficient to make the refund and payment.*

Subd. 8. [COMMISSIONER AS ADMINISTRATOR.] *The commissioner is the administrator of the special compensation fund. The special compensation fund shall be designated a party in an action regarding any right, obligation, and liability of the special fund. The state treasurer, as custodian, does not have standing in an action determining any right, obligation, or liability of the special fund. The attorney general shall represent the special fund in all legal matters in which the special fund has an interest.*

Subd. 9. [POWERS OF FUND.] *In addition to powers granted to the special compensation fund by this chapter the fund may do the following:*

- (a) *sue and be sued in its own name;*
- (b) *intervene in or commence an action under this chapter or any other law, including, but not limited to, intervention or action as a subrogee to the division's right in a third-party action, any proceeding under this chapter in which liability of the special compensation fund is an issue, or any proceeding which may result in other liability of the fund or to protect the legal right of the fund;*
- (c) *enter into settlements including but not limited to structured, annuity purchase agreements with appropriate parties under this chapter; and*
- (d) *take any other action which an insurer is permitted by law to take in operating within this chapter.*

Subd. 10. [PENALTY.] Sums paid to the commissioner pursuant to this section shall be in the manner prescribed by the commissioner. The commissioner may impose a penalty of up to 15 percent of the amount due under this section but not less than \$500 in the event payment is not made in the manner prescribed.

Subd. 11. [ADMINISTRATIVE PROVISIONS.] The accounting, investigation, and legal costs necessary for the administration of the programs financed by the special compensation fund shall be paid from the fund during each biennium commencing July 1, 1981. Staffing and expenditures related to the administration of the special compensation fund shall be approved through the regular budget and appropriations process.

Subd. 12. [REPORT OF COMMISSIONER.] The commissioner shall report biennially to the governor and to the legislature as to the financial status of the special compensation fund. The report shall include a statement of the receipts and the disbursements for the period covered.

Subd. 13. [EMPLOYER REPORTS.] All employers shall make reports to the commissioner as required for the proper administration of this section and section 176.131.

Sec. 82. Minnesota Statutes 1982, section 176.131, subdivision 1, is amended to read:

Subdivision 1. If an employee incurs personal injury and suffers disability that is substantially greater, because of a pre-existing physical impairment, than what would have resulted from the personal injury alone, the employer shall pay all compensation provided by this chapter, but (HE) *the employer* shall be reimbursed from the special compensation fund for all compensation paid in excess of 52 weeks of monetary benefits and \$2,000 in medical expenses, subject to the following exceptions:

If the personal injury alone results in permanent partial disability to a scheduled member under (SECTION 176.101) *the schedule adopted by the commissioner pursuant to section 176.105*, the monetary and medical expense limitations shall not apply and the employer (SHALL BE) *is liable for (SUCH) the compensation, medical expense, and (RETRAINING) rehabilitation attributable to the permanent partial disability, and (HE) may be reimbursed from the special compensation fund only for compensation paid in excess of (SUCH) the disability.*

Sec. 83. Minnesota Statutes 1982, section 176.131, subdivision 1a, is amended to read:

Subd. 1a. If an employee is employed in an on the job retraining program pursuant to section 176.102 and the employee incurs a personal injury that aggravates the personal injury for which the employee has been certified to enter the on the job retraining program, the on the job training employer shall pay the medical expenses and compensation required by this chapter, (BUT) *and shall be reimbursed from the special compensation fund for the compensation and medical expense that is attributable to the aggravated injury. The employer, at the time of the personal injury for which the employee has been certified for retraining, is liable for the portion of the disability that is attributable to that injury.*

Sec. 84. Minnesota Statutes 1982, section 176.131, subdivision 2, is amended to read:

Subd. 2. If the employee's personal injury (SHALL RESULT) *results in disability or death, and if the injury, death, or disability would not have occurred except for the pre-existing physical impairment registered with the special compensation fund, the employer shall pay all compensation provided by this chapter, (BUT) and shall be reimbursed from the special compensation fund for (SUCH) the compensation (ONLY WHERE THE PERMANENT PHYSICAL IMPAIRMENT CONTRIBUTING TO THE SECOND INJURY IS DIABETES, HEMOPHILIA OR SEIZURES) except that this reimbursement shall not be made for cardiac disease or a condition registered pursuant to clause (t) or (u) unless the commissioner by rule provides otherwise.*

Sec. 85. Minnesota Statutes 1982, section 176.131, subdivision 3, is amended to read:

Subd. 3. To entitle the employer to secure reimbursement from the special compensation fund, the following provisions must be complied with:

- (a) Provisions of section 176.181, subdivisions 1 and 2.

(b) The employee with a pre-existing physical impairment must have been registered with the commissioner (OF LABOR AND INDUSTRY) prior to the employee's personal injury or within 180 days after notice of the employee's personal injury is received by the employer. Registration subsequent to the injury shall be based on a medical report *or record* made prior to the injury indicating the pre-existing physical impairment.

Sec. 86. Minnesota Statutes 1982, section 176.131, subdivision 4, is amended to read:

Subd. 4. Any employer who hires or retains in (HIS) *its* employment any person who has a physical impairment shall file a formal registration for (EACH SUCH) *the* employee with the commissioner (OF THE DEPARTMENT OF LABOR AND INDUSTRY IN SUCH) *on a form (AS) prescribed by the commissioner (MAY REQUIRE).*

Sec. 87. Minnesota Statutes 1982, section 176.131, subdivision 5, is amended to read:

Subd. 5. Registration under this section may be made by the employee or any employer provided:

(a) Registration (SHALL BE) *is* accompanied by satisfactory evidence of (SUCH) *the* physical impairment;

(b) Registration (SHALL BE) *is* in effect as long as (SAID) *the* impairment exists;

(c) Upon request, a registered employee shall be furnished by the commissioner (OF THE DEPARTMENT OF LABOR AND INDUSTRY) with a registration card evidencing the (FACT OF) registration, and (SUCH) other facts as the commissioner (OF THE DEPARTMENT OF LABOR AND INDUSTRY) deems advisable.

Sec. 88. Minnesota Statutes 1982, section 176.131, subdivision 6, is amended to read:

Subd. 6. When the employer claims reimbursement from the special compensation fund after paying compensation as prescribed by this section, (HE) *the employer* shall file with the commissioner (OF THE DEPARTMENT OF LABOR AND INDUSTRY) written notice of intention to claim reimbursement in accordance with the rules (AND REGULATIONS OF) *adopted by the commissioner (OF THE DEPARTMENT OF LABOR AND INDUSTRY).*

Sec. 89. Minnesota Statutes 1982, section 176.131, subdivision 7, is amended to read:

Subd. 7. Under subdivisions 1 and 2, an occupational disease may be deemed to be the personal (second) injury.

If the subsequent disability for which reimbursement is claimed is an occupational disease, and if, subsequent to registration as provided by subdivisions 4 and 5, the employee has been employed by the employer in employment similar to that which initially resulted in (SUCH) *the* occupational disease, no reimbursement shall be paid to the employer.

Sec. 90. Minnesota Statutes 1982, section 176.131, subdivision 8, is amended to read:

Subd. 8. As used in this section the following terms have the meanings given them:

"Physical impairment" means any physical or mental condition that is permanent in nature, whether congenital or due to injury, disease or surgery and which is or is likely to be a hindrance or obstacle to obtaining employment (PROVIDED) *except* that (,) physical impairment (AS USED HEREIN) is limited to the following:

- (a) Epilepsy,
- (b) Diabetes,
- (c) Hemophilia,
- (d) Cardiac disease,
- (e) Partial or entire absence of thumb, finger, hand, foot, arm or leg,
- (f) Lack of sight in one or both eyes or vision in either eye not correctable to 20/40,
- (g) Residual disability from poliomyelitis,
- (h) Cerebral Palsy,
- (i) Multiple Sclerosis,
- (j) Parkinson's disease,
- (k) Cerebral vascular accident,
- (l) Chronic Osteomyelitis,
- (m) Muscular Dystrophy,

- (n) Thrombophlebitis,
- (o) Brain tumors,
- (p) Pott's disease,
- (q) Seizures,
- (r) Cancer of the bone,
- (s) Leukemia,

(t) Any other physical impairment for which at least 50 weeks or more of weekly benefits would be payable as permanent partial disability if the physical impairment were evaluated according to standards used in workers' compensation proceedings, and

((P)) (u) Any other physical impairments of a permanent nature which the (WORKERS' COMPENSATION COURT OF APPEALS) commissioner may by rule prescribe;

"Compensation" has the meaning defined in section 176.011;

"Employer" includes insurer;

"Disability" means, unless otherwise indicated, any condition causing either temporary total, temporary partial, permanent total, permanent partial, death, medical expense, or (RETRAINING) rehabilitation.

Sec. 91. Minnesota Statutes 1982, section 176.132, subdivision 1, is amended to read:

Subdivision 1. [ELIGIBLE RECIPIENTS.] (a) An employee who has suffered personal injury prior to the effective date of clause (b) for which benefits are payable under section 176.101 and who has been totally disabled for more than 104 weeks shall be eligible for supplementary benefits as (HEREINAFTER) prescribed in this section after 104 weeks have elapsed and for the remainder of (HIS) the total disablement. Regardless of the number of weeks of total disability, no totally disabled person (SHALL BE) is ineligible for supplementary benefits after four years have elapsed since the first date of (HIS) the total disability, except as provided by clause (b), provided that all periods of disability are caused by the same injury.

(b) An employee injured after the effective date of this clause is eligible to receive supplementary benefits after the employee has been receiving temporary total or permanent total benefits for 208 weeks. Regardless of the number of weeks of

total disability, no person who is receiving temporary total compensation shall be ineligible for supplementary benefits after six years have elapsed since the first date of the total disability, provided that all periods of disability are caused by the same injury.

Sec. 92. Minnesota Statutes 1982, section 176.132, is amended by adding a subdivision to read:

Subd. 5. [ROUNDING OF PAYMENTS.] A payment made under this section shall be rounded to the next highest whole dollar.

Sec. 93. Minnesota Statutes 1982, section 176.134, subdivision 4, is amended to read:

Subd. 4. [ADMINISTRATION.] The commissioner (OF LABOR AND INDUSTRY) shall administer the reopened case fund as part of the special compensation fund provided that the reopened case fund is under separate accounting and audit procedures from the special fund.

Sec. 94. Minnesota Statutes 1982, section 176.135, subdivision 1, is amended to read:

Subdivision 1. [MEDICAL, CHIROPRACTIC, PODIATRIC, SURGICAL, HOSPITAL.] The employer shall furnish (SUCH) any medical, chiropractic, podiatric, surgical and hospital treatment, including nursing, medicines, medical, chiropractic, podiatric, and surgical supplies, crutches and apparatus, including artificial members, or, at the option of the employee, if the employer has not filed notice as hereinafter provided, Christian Science treatment in lieu of medical treatment, chiropractic medicine and medical supplies, as may reasonably be required at the time of the injury and any time thereafter to cure and relieve from the effects of the injury. (SUCH) This treatment shall include treatments necessary to physical rehabilitation. The employer shall furnish replacement or repair for artificial members, glasses, or spectacles, artificial eyes, podiatric orthotics, dental bridge work, dentures or artificial teeth, hearing aids, canes, crutches or wheel chairs damaged by reason of an injury arising out of and in the course of the employment. In case of his inability or refusal seasonably to do so the employer (SHALL BE) is liable for the reasonable expense incurred by or on behalf of the employee in providing the same. The employer shall pay for the reasonable value of nursing services by a member of the employee's family in cases of permanent total disability. Orders of (A COMPENSATION JUDGE) the commissioner or medical services review board with respect to this subdivision may be reviewed by the workers' compensation court of appeals on petition of an aggrieved party or by writ of certiorari to the supreme court.

Sec. 95. Minnesota Statutes 1982, section 176.135, subdivision 3, is amended to read:

Subd. 3. [LIMITATION OF LIABILITY.] The pecuniary liability of the employer for the treatment, articles and supplies required by this section shall be limited to (SUCH) *the* charges therefor as prevail in the same community for similar treatment, articles and supplies furnished to injured persons of a like standard of living when the same are paid for by the injured persons. On this basis the (COMPENSATION JUDGE) *commissioner, medical services review board, or workers' compensation court of appeals on appeal* may determine the reasonable value of all such services and supplies and the liability of the employer is limited to the amount so determined.

Sec. 96. Minnesota Statutes 1982, section 176.136, is amended to read:

176.136 [MEDICAL FEE REVIEW.]

The commissioner (OF INSURANCE) shall by rule establish procedures for determining whether or not the charge for a health service is excessive. In order to accomplish this purpose, the commissioner (OF INSURANCE) shall consult with insurers, associations and organizations representing the medical and other providers of treatment services and other appropriate groups. The procedures established by the commissioner (OF INSURANCE) shall limit the charges allowable for medical, chiropractic, podiatric, surgical, hospital and other health care provider treatment or services, as defined and compensable under section 176.135, to the 75th percentile of usual and customary fees or charges based upon billings for each class of health care provider during all of the calendar year preceding the year in which the determination is made of the amount to be paid the health care provider for the billing. The procedures established by the commissioner for determining whether or not the charge for a health service is excessive shall be structured to encourage providers to develop and deliver services for rehabilitation of injured workers. The procedures shall incorporate the provisions of sections 144.701, 144.702, and 144.703 to the extent that the commissioner finds that these provisions effectively accomplish the intent of this section or are otherwise necessary to insure that quality hospital care is available to injured employees. If the commissioner (OF INSURANCE, A COMPENSATION JUDGE), *medical services review board, the workers' compensation court of appeals or a district court* determines that the charge for a health service or medical service is excessive, no payment in excess of the reasonable charge for that service shall be made under this chapter nor may the provider collect or attempt to collect from the injured employee or any other insurer or government amounts in excess of the amount payable under this chapter; however, the commissioner (OF INSURANCE) shall by rule establish procedures allowing for a provider to ap-

peal such determination. The commissioner (OF INSURANCE) shall contract with a review organization as defined in section 145.61 for the purposes listed in section 145.61, subdivision 5, and report to the legislature by January 15, 1983 and thereafter on January 15 of every odd-numbered year, regarding the delivery of medical and health care services, including rehabilitation services, under the workers' compensation laws of this state.

The commissioner (OF INSURANCE) shall also conduct a study of the qualifications and background of rehabilitation consultants and vendors providing services under section 176.102 for the purpose of determining whether there are adequate professional standards provided, including safeguards to protect against conflicts of interest. *If upon the effective date of this section this study has already been conducted by the commissioner of insurance, the commissioner is not required to conduct the study.*

The commissioner (OF INSURANCE) shall adopt temporary rules in order to implement the provisions of this subdivision. Notwithstanding the provisions of section 14.14, subdivision 1, and any amendments, the temporary rules adopted by the commissioner (OF INSURANCE) pursuant to this subdivision may be extended for an additional 180 days if the procedures for adoption of a rule pursuant to sections 14.13 to 14.20 or 14.21 to 14.28, and other provisions of the administrative procedure act related to final agency action and rule adoption have not been concluded.

Any rules adopted by the commissioner of insurance pursuant to this section shall be adopted by the commissioner of labor and industry and may be amended, modified, or repealed only by the commissioner of labor and industry.

Sec. 97. [176.138] [MEDICAL DATA; ACCESS.]

Notwithstanding any other state laws related to the privacy of medical data or any private agreements to the contrary, the release of medical data related to a current claim for compensation under this chapter to the employee, employer, or insurer who are parties to the claim, or to the department of labor and industry, shall not require prior approval of any party to the claim. Requests for pertinent data shall be made in writing to the person or organization that collected or currently possesses the data. The data shall be provided by the collector or possessor within seven working days of receiving the request. In all cases of a request for the data, except when it is the employee who is making the request, the employee shall be sent written notification of the request by the party requesting the data at the same time the request is made. This data shall be treated as private data by the party who requests or receives the data and the employee or the employee's attorney shall be provided with a copy of all data requested.

The commissioner may impose a penalty of up to \$200 payable to the special compensation fund against a party who does not release the data in a timely manner. A party who does not treat this data as private pursuant to this section is guilty of a misdemeanor.

Sec. 98. Minnesota Statutes 1982, section 176.155, subdivision 3, is amended to read:

Subd. 3. [REFUSAL TO BE EXAMINED.] If the injured employee refuses to comply with any reasonable request for examination, (HIS) *the* right to compensation may be suspended by order of the division, a *compensation judge*, or workers' compensation court of appeals in a matter before it, and no compensation shall be paid while (HE) *the employee* continues in (SUCH) *the* refusal.

Sec. 99. Minnesota Statutes 1982, section 176.155, subdivision 5, is amended to read:

Subd. 5. [TESTIMONY OF (EXAMINING PHYSICIANS) HEALTH CARE PROVIDER.] Any physician or other health care provider designated by the commissioner (OF THE DEPARTMENT OF LABOR AND INDUSTRY), compensation judge, or workers' compensation court of appeals or whose services are furnished or paid for by the employer, who treats (OR WHO MAKES), *examines*, or is present at any examination, of an injured employee, may be required to testify as to any knowledge acquired by (HIM) *the physician or health care provider* in the course of (SUCH) *the* treatment or examination relative to the injury or disability resulting (THEREFROM) *from the injury only if the commissioner or a compensation judge makes a written finding that the appearance of the physician or health care provider is crucial to the accurate determination of the employee's disability. In all other cases all medical evidence must be submitted by written report as prescribed by the chief hearing examiner. A party may cross-examine by deposition a physician or health care provider who has examined or treated the employee. If a physician or health care provider is not available for cross-examination prior to the hearing and the physician's or health care provider's written report is submitted at the hearing, the compensation judge shall, upon request of the adverse party, require the physician or health care provider to testify at the hearing for the purpose of being cross-examined by the adverse party. All written medical evidence must be submitted prior to or at the time of the hearing and no evidence shall be considered which was submitted after the hearing unless the compensation judge orders otherwise.*

Sec. 100. Minnesota Statutes 1982, section 176.179, is amended to read:

176.179 [PAYMENTS OF COMPENSATION RECEIVED IN GOOD FAITH.]

Notwithstanding section 176.521, subdivision 3, or any other provision of this chapter to the contrary, except as provided in this section, no lump sum or weekly payment, or settlement, which is voluntarily paid to an injured employee or the survivors of a deceased employee in apparent or seeming accordance with the provisions of this chapter by an employer or insurer, or is paid pursuant to an order of the workers' compensation division, a compensation judge, or court of appeals relative to a claim by an injured employee or (HIS) *the employee's* survivors, and received in good faith by the employee or (HIS) *the employee's* survivors shall be refunded to the paying employer or insurer in the event that it is subsequently determined that the payment was made under a mistake in fact or law by the employer or insurer. When the payments have been made to a person who is entitled to receive further payments of compensation for the same injury, the mistaken compensation may be taken as a credit against future benefit entitlement; provided, however, that the credit applied against further payments of temporary total disability, temporary partial disability, permanent total disability, retraining benefits or death benefits shall not exceed 20 percent of the amount that would otherwise be payable.

Sec. 101. Minnesota Statutes 1982, section 176.182, is amended to read:

176.182 [BUSINESS LICENSES OR PERMITS; COVERAGE REQUIRED.]

Every state (OR LOCAL) licensing agency shall withhold the issuance of a license or permit to operate a business in Minnesota until the applicant presents acceptable evidence of compliance with the workers' compensation insurance coverage requirement of section 176.181, subdivision 2.

Neither the state nor any governmental subdivision thereof shall enter into any contract *for the doing of any public work* before receiving from all other contracting parties acceptable evidence of compliance with the workers' compensation insurance coverage requirement of section 176.181, subdivision 2.

This section shall not be construed to create any liability on the part of the state or any governmental subdivision to pay workers' compensation benefits or to indemnify the special compensation fund, an employer, or insurer who pays workers' compensation benefits.

Sec. 102. Minnesota Statutes 1982, section 176.183, subdivision 1, is amended to read:

Subdivision 1. When any employee (SHALL SUSTAIN) *sustains an injury* arising out of and in the course of (HIS) employment while in the employ of an employer, other than the state or its political subdivisions, not insured or self-insured as provided for in this chapter, the employee or (HIS) *the employee's dependents* shall nevertheless receive benefits as provided for (THEREIN) *in this chapter* from the special compensation fund, and the (STATE TREASURER AS CUSTODIAN OF SUCH FUND SHALL HAVE) *commissioner* has a cause of action against (SUCH) *the employer* for reimbursement for all moneys paid out or to be paid out, and, in the discretion of the court, as punitive damages an additional amount not exceeding 50 percent of all moneys paid out or to be paid out. An action to recover (SUCH) *the moneys* shall be instituted unless the (CUSTODIAN) *commissioner* determines that no recovery is possible. All moneys recovered shall be deposited in the general fund. There shall be no payment from the special compensation fund if there is liability for the injury under the provisions of section 176.215, by an insurer or self-insurer.

Sec. 103. Minnesota Statutes 1982, section 176.183, subdivision 1a, is amended to read:

Subd. 1a. When an employee or (HIS) *the employee's dependent* is entitled to benefits under this chapter from a self-insurer, present or past, other than the state and its municipal subdivisions, but *the self-insurer* fails to (BE PAID THEM) *pay the benefits*, the employee or (HIS) *the employee's dependents*, regardless of the date when the accident, personal injury, occupational disease, or death occurred, shall nevertheless receive (SUCH) *the benefits* from the special compensation fund (, AND). The (STATE TREASURER AS CUSTODIAN OF SUCH FUND SHALL HAVE) *commissioner* has a cause of action against (SUCH) *the self-insuring employer* for reimbursement (,) for all (MONEYS) *benefits and other expenditures* paid out or to be paid out and, in the discretion of the court, (AS) *the self-insurer is liable* for punitive damages in an (ADDITIONAL) amount not to exceed 50 percent of *the total of all (MONEYS) benefits and other expenditures* paid out or to be paid out. *The commissioner shall institute an action to recover (SUCH MONEYS SHALL BE INSTITUTED) the total expenditures from the fund* unless the (CUSTODIAN) *commissioner* determines that no recovery is possible. All (MONEYS) *proceeds* recovered shall be deposited in the general fund.

Sec. 104. Minnesota Statutes 1982, section 176.183, is amended by adding a subdivision to read:

Subd. 3. (a) *Notwithstanding subdivision 2, the commissioner may direct payment from the special compensation fund for compensation payable pursuant to subdivisions 1 and 1a, including benefits payable under sections 176.102 and 176.135,*

prior to issuance of an order of a compensation judge or the workers' compensation court of appeals directing payment or awarding compensation.

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

Sec. 105. Minnesota Statutes 1982, section 176.183, is amended by adding a subdivision to read:

Subd. 4. If the commissioner authorizes the special fund to commence payment under this section, the commissioner shall serve notice by certified mail upon the employer and other interested parties of the intention to commence payment. This notice shall be served at least ten calendar days before commencing payment and shall be mailed to the last known address of the parties. The notice shall include a statement that failure of the employer to respond within ten calendar days of the date of service will be deemed acceptance by the employer of the proposed action by the commissioner and will be deemed a waiver of defenses the employer has to a subrogation or indemnity action by the commissioner. At any time prior to final determination of liability, the employer may appear as a party and present defenses the employer has, whether or not an appearance by the employer has previously been made in the matter. The commissioner has a cause of action against the employer to recover compensation paid by the special fund under this section.

Sec. 106. Minnesota Statutes 1982, section 176.185, is amended by adding a subdivision to read:

Subd. 10. [DATA COLLECTION CONTRACTS.] The commissioner may contract with other parties regarding the collection of appropriate data to assist in meeting the requirements of this section.

Sec. 107. [176.186] [RECORDS FROM OTHER STATE AGENCIES.]

Notwithstanding any other state law to the contrary, the commissioner may obtain from the department of revenue, department of economic security, and office of the secretary of state, or any other state agency, upon request, names or lists of employers doing business in the state. This information shall be treated by the commissioner in the manner provided by chapter 18 and shall be used only for insurance verification by the commissioner.

Sec. 108. Minnesota Statutes 1982, section 176.191, is amended by adding a subdivision to read:

Subd. 5. Where a dispute exists between an employer, insurer, the special compensation fund, the reopened case fund, or the workers' compensation reinsurance association, regarding benefits payable under this chapter, the dispute may be submitted with consent of all interested parties to binding arbitration pursuant to the rules of the American arbitration association. The decision of the arbitrator shall be conclusive with respect to all issues presented except as provided in subdivisions 6 and 7. Consent of the employee is not required for submission of a dispute to arbitration pursuant to this section and the employee is not bound by the results of the arbitration. An arbitration award shall not be admissible in any other proceeding under this chapter. Notice of the proceeding shall be given to the employee.

The employee, or any person with material information to the facts to be arbitrated, shall attend the arbitration proceeding if any party to the proceeding deems it necessary. Nothing said by an employee in connection with any arbitration proceeding may be used against the employee in any other proceeding under this chapter. Reasonable expenses of meals, lost wages, and travel of the employee or witnesses in attending shall be reimbursed on a pro rata basis.

Sec. 109. Minnesota Statutes 1982, section 176.191, is amended by adding a subdivision to read:

Subd. 6. If the employee commences an action under this chapter for benefits arising out of the same injury which resulted in the dispute arbitrated under subdivision 5, and if the benefits awarded to the employee under the employee's claim are inconsistent with the arbitration decision, any increase in benefits over those paid pursuant to the arbitration proceeding is paid by the party or parties who ordinarily would have been required to pay the increased benefits but for the arbitration. Any reimbursement from the employee of any decrease in benefits from those paid pursuant to the arbitration is paid to the party or parties who previously had paid the increased benefits. The provisions of this subdivision apply regardless of whether more or fewer employers and insurers or the special fund have been added or omitted as parties to the employee's subsequent action after arbitration.

Sec. 110. Minnesota Statutes 1982, section 176.191, is amended by adding a subdivision to read:

Subd. 7. If an employee brings an action under the circumstances described in subdivision 6, the parties to the previous arbitration may be represented at the new action by a common or joint attorney.

Sec. 111. Minnesota Statutes 1982, section 176.191, is amended by adding a subdivision to read:

Subd. 8. No attorney's fees shall be awarded under either section 176.081, subdivision 8, or 176.191 against any employer or insurer in connection with any arbitration proceeding unless the employee chooses to retain an attorney to represent the employee's interests during arbitration.

Sec. 112. Minnesota Statutes 1982, section 176.195, is amended by adding a subdivision to read:

Subd. 1a. [ADDITIONAL GROUNDS.] Where an insurer or agent of an insurer has failed to comply with provisions of this chapter, other than the provisions in subdivision 1, the commissioner of insurance may revoke the license of the insurer to write workers' compensation insurance.

Sec. 113. Minnesota Statutes 1982, section 176.195, subdivision 2, is amended to read:

Subd. 2. [COMMENCEMENT OF PROCEEDINGS.] (SUCH) *The commissioner of insurance may act under subdivision 1 or 1a upon his own motion, the recommendation of the commissioner (OF THE DEPARTMENT) of labor and industry, the chief hearing examiner, or the workers' compensation court of appeals, or the complaint of any interested person.*

Sec. 114. Minnesota Statutes 1982, section 176.195, is amended by adding a subdivision to read:

Subd. 7. [REPORT TO COMMISSIONER OF INSURANCE.] The commissioner may send reports to the commissioner of insurance regarding compliance with this chapter by insurers writing workers' compensation insurance. A report may include a recommendation for revocation of an insurer's license under this section and may also recommend the imposition of other penalties which may be imposed upon insurers by the commissioner of insurance.

Sec. 115. Minnesota Statutes 1982, section 176.221, is amended to read:

176.221 [PAYMENT OF COMPENSATION AND TREATMENT CHARGES, COMMENCEMENT.]

Subdivision 1. [COMMENCEMENT OF PAYMENT.] Within 14 days of notice to or knowledge by the employer of an injury compensable under this chapter the payment of *temporary total compensation (DUE PURSUANT TO SECTION 176.101, SUBDIVISION 1,)* shall commence. Commencement of payment by an employer or insurer does not waive any rights to any defense the employer may have on any claim or incident either with respect to the compensability of the claim under chapter 176 or the amount of the compensation due. Where there are multiple

employers, the first employer shall pay, unless it is shown that the injury has arisen out of employment with the second or subsequent employer. (WHEN) *If the employer or insurer has commenced payment of compensation under this subdivision but determines within 30 days of notice to or knowledge by the employer of the injury that the disability is not a result of a personal injury, payment of compensation may be (DISCONTINUED) terminated upon (NOTICE OF DISCONTINUANCE PURSUANT TO SECTION 176.241) the filing of a notice of denial of liability.* Upon the (DETERMINATION) termination, payments made may be recovered by the employer if the commissioner or compensation judge finds that the employee's claim of work related disability was not made in good faith. *A notice of denial of liability must state in detail specific reasons explaining why the claimed injury or occupational disease was determined not to be within the scope and course of employment and shall include the name and telephone number of the person making this determination.*

Subd. 2. [GRANT OF EXTENSION.] Upon application made within 30 days (AFTER THE DATE ON WHICH THE FIRST PAYMENT WAS DUE) *of notice to or knowledge by the employer of the injury, the commissioner may grant an extension of time within which to determine liability. The extension shall not exceed 30 days from the date the request for the extension is made. The application or grant of extension does not release the employer of the obligation to commence payment under subdivision 1 or to continue payments.*

Subd. 3. [PAYMENTS TO SPECIAL COMPENSATION FUND.] Where an employer or insurer fails to begin payment of compensation (, CHARGES FOR TREATMENT UNDER SECTION 176.135 OR RETRAINING EXPENSES UNDER 176.102, SUBDIVISION 9) *pursuant to subdivision 1, or to file a denial of liability within the 14-day period referred to in subdivision 1, (OR TO REQUEST AN EXTENSION OF TIME WITHIN 30 DAYS AFTER THE DATE ON WHICH THE FIRST PAYMENT WAS DUE, HE) it shall pay to the special compensation fund an amount equal to the total amount of compensation to which the employee is entitled because of the injury (, IN ADDITION, EACH DAY SUBSEQUENT TO THE END OF THE PERIOD AND UNTIL A) to receive up to the date compensation payment is made to the (INJURED) employee (, THE PERSON RESPONSIBLE FOR PAYMENT OF COMPENSATION SHALL PAY TO THE SPECIAL COMPENSATION FUND AN AMOUNT EQUAL TO THE TOTAL COMPENSATION TO WHICH THE INJURED EMPLOYEE IS ENTITLED).*

(SUBD. 4. [FAILURE TO MAKE PAYMENTS AFTER EXTENSION.] WHERE AN EMPLOYER OR INSURER HAS BEEN GRANTED AN EXTENSION OF TIME WITHIN WHICH TO DETERMINE LIABILITY AND FAILS TO BEGIN PAYMENT OF COMPENSATION, CHARGES FOR

TREATMENT UNDER SECTION 176.135 OR RETRAINING EXPENSES UNDER 176.102, SUBDIVISION 9 OR TO FILE A DENIAL OF LIABILITY WITHIN SUCH EXTENDED PERIOD, HE SHALL MAKE THE PAYMENTS PROVIDED IN SUBDIVISION 3.)

(SUBD. 5. [DOUBLE PAYMENTS TO SPECIAL COMPENSATION FUND.] WHERE AN EMPLOYER OR INSURER HAS FAILED TO MAKE THE PAYMENTS REQUIRED BY SUBDIVISION 3 OR SUBDIVISION 4 WITHIN 30 DAYS FROM THE END OF THE PERIOD OR THE EXTENDED PERIOD, THE DIVISION MAY REQUIRE HIM TO PAY TO THE SPECIAL COMPENSATION FUND, EACH DAY SUBSEQUENT TO THE END OF THE PERIOD AND UNTIL A COMPENSATION PAYMENT IS MADE TO THE INJURED EMPLOYEE, A SUM EQUAL TO DOUBLE THE TOTAL AMOUNT OF COMPENSATION TO WHICH THE EMPLOYEE IS ENTITLED BECAUSE OF THE INJURY. IN ADDITION, THE PERSON RESPONSIBLE FOR COMPENSATION, CHARGES FOR TREATMENT UNDER SECTION 176.135 OR RETRAINING EXPENSES UNDER 176.102, SUBDIVISION 9 SHALL PAY TO THE SPECIAL COMPENSATION FUND AN AMOUNT EQUAL TO THE TOTAL AMOUNT OF COMPENSATION TO WHICH THE EMPLOYEE IS ENTITLED.)

Subd. 6. [ASSESSMENT OF PENALTIES.] The division or compensation judge shall assess the penalty payments provided for by (SUBDIVISIONS) subdivision 3 (TO 5,) and any increase in benefit payments provided by section 176.225, subdivision 5, against (EITHER THE EMPLOYER OR) the insurer (DEPENDING UPON TO WHOM THE DELAY IS ATTRIBUTABLE IN MAKING PAYMENT OF COMPENSATION, CHARGES FOR TREATMENT UNDER SECTION 176.135 OR RETRAINING EXPENSES UNDER 176.102, SUBDIVISION 9). The insurer is (NOT) liable for a penalty payment assessed against *it even if the delay is attributable to the employer.*

An insurer who has paid a penalty under this section may recover from the employer the portion of the penalty attributable to the acts of the employer which resulted in the delay. A penalty paid by an insurer under this section which is attributable to the fault of the employer shall be treated as a loss in an experience rated plan, retrospective rating plan, or dividend calculation where appropriate.

Subd. 6a. [MEDICAL, REHABILITATION, ECONOMIC RECOVERY, AND IMPAIRMENT COMPENSATION.] *The penalties provided by this section apply in cases where payment for treatment under section 176.135, rehabilitation expenses under section 176.102, subdivision 9, economic recovery compensa-*

tion or impairment compensation are not made in a timely manner as required by law or by rule adopted by the commissioner.

Subd. 7. [INTEREST.] Any payment of compensation, charges for treatment under section 176.135 or (RETRAINING) rehabilitation expenses under 176.102, subdivision 9 not made when due shall bear interest at the rate of eight percent (PER ANNUM) a year from the due date to the date the payment is made or the rate set by section 549.09, subdivision 1, whichever is greater.

Subd. 8. [METHOD AND TIMELINESS OF PAYMENT.] Payment of compensation under this chapter shall be by immediately payable negotiable instrument, or if by any other method, arrangements shall be available to provide for the immediate negotiability of the payment instrument.

All payment of compensation shall be made within 14 days of the filing of an appropriate order by the division or a compensation judge, unless the order is (TO BE) appealed (,) or (WHERE) if a different time period is provided by this chapter.

Sec. 116. Minnesota Statutes 1982, section 176.225, subdivision 1, is amended to read:

Subdivision 1. [GROUNDS.] Upon reasonable notice and hearing or opportunity to be heard, the division, a compensation judge, or upon appeal, the workers' compensation court of appeals or the supreme court may award compensation, in addition to the total amount of compensation award, of up to 25 percent of that total amount where an employer or insurer has:

(a) instituted a proceeding or interposed a defense which does not present a real controversy but which is frivolous or for the purpose of delay; or,

(b) unreasonably or vexatiously delayed payment; or,

(c) neglected or refused to pay compensation; or,

(d) intentionally underpaid compensation.

Sec. 117. Minnesota Statutes 1982, section 176.225, subdivision 2, is amended to read:

Subd. 2. [EXAMINATION OF BOOKS AND RECORDS.] To determine whether an employer or insurer (HAS BECOME SUBJECT TO) is liable for the payment provided by subdivision 1, the division, a compensation judge, or the workers' compensation court of appeals upon appeal may examine the books and records of the (PERSON) employer or insurer relating to the payment of compensation, and may require (HIM) the employer

or insurer to furnish any other information relating to the payment of compensation.

Sec. 118. Minnesota Statutes 1982, section 176.225, subdivision 3, is amended to read:

Subd. 3. [DEFIANCE OF DIVISION, COMPENSATION JUDGE, OR WORKERS' COMPENSATION COURT OF APPEALS, COMPLAINT.] (WHERE) *If* an insurer persists in an action or omission listed in subdivision 1, or does not permit the examination of (HIS) books and records, or fails to furnish (SUCH) information as required, the commissioner or the chief hearing examiner shall file a written complaint with the insurance commissioner. The complaint shall specify the facts and recommend the revocation of the license of the insurer to do business in this state. The workers' compensation court of appeals may also file (SUCH) a written complaint.

Sec. 119. Minnesota Statutes 1982, section 176.231, subdivision 3, is amended to read:

Subd. 3. [PHYSICIANS, CHIROPRACTORS, OR (SURGEONS) OTHER HEALTH CARE PROVIDERS TO REPORT INJURIES.] (WHERE) A physician (OR SURGEON), *chiropractor, or other health care provider who* has examined, treated, or has special knowledge of an injury to an employee which may be compensable under this chapter, (HE) shall report to the commissioner (OF THE DEPARTMENT OF LABOR AND INDUSTRY) all facts relating to the nature and extent of the injury and disability, *and the treatment provided for the injury or disability,* within ten days after (HE) the health care provider has received a written request for (SUCH) the information from the commissioner (OF THE DEPARTMENT OF LABOR AND INDUSTRY) or (ANY MEMBER OR EMPLOYEE THEREOF) *an authorized representative of the commissioner.*

Sec. 120. Minnesota Statutes 1982, section 176.231, subdivision 4, is amended to read:

Subd. 4. [SUPPLEMENTARY REPORTS.] The commissioner (OF THE DEPARTMENT OF LABOR AND INDUSTRY,) or (ANY MEMBER OR EMPLOYEE THEREOF,) *an authorized representative* may require the filing of (SUCH) supplementary reports of accidents as (IT DEEMS) *is deemed* necessary to provide information required by law.

Supplementary reports related to the current nature and extent of the employee's injury, disability, or treatment may be requested from a physician, surgeon, chiropractor, or other health care provider by the commissioner or a representative, an employer or insurer, or the employee.

Sec. 121. Minnesota Statutes 1982, section 176.231, subdivision 5, is amended to read:

Subd. 5. [FORMS FOR REPORTS.] The commissioner (OF THE DEPARTMENT OF LABOR AND INDUSTRY) shall *by rule* prescribe forms for use in making the reports required by this section. The *first report of injury* form which the employer submits (WITH REFERENCE TO AN ACCIDENT) shall include a declaration by the employer (THAT HE WILL) of a *promise to pay the compensation the law requires. Forms for reports required by this section shall be as prescribed by the commissioner and shall be the only forms used by an employer, insurer, self-insurer, group self-insurer, and all health care providers.*

Sec. 122. Minnesota Statutes 1982, section 176.231, subdivision 9, is amended to read:

Subd. 9. [USES WHICH MAY BE MADE OF REPORTS.] Reports filed with the commissioner (OF THE DEPARTMENT OF LABOR AND INDUSTRY) under this section may be used in hearings held under this chapter, and for the purpose of state investigations and for statistics.

The division or office of administrative hearings or workers' compensation court of appeals may permit an attorney at law who represents an employer, insurer, or an employee or (HIS) a dependent to examine its file in a compensation case if the attorney furnishes written authorization to do so from (HIS) the attorney's client. Reports filed under this section and other information the commissioner has regarding injuries or deaths shall be made available to the workers' compensation reinsurance association for use by the association in carrying out its responsibilities under chapter 79.

Sec. 123. Minnesota Statutes 1982, section 176.231, subdivision 10, is amended to read:

Subd. 10. [FAILURE TO FILE REQUIRED REPORT, PENALTY.] (WHERE) *If an employer, physician, (OR SURGEON HAS FAILED) chiropractor, or other health provider fails to file with the commissioner (OF THE DEPARTMENT OF LABOR AND INDUSTRY) any report required by this section in the manner and within the time limitations prescribed, (HE SHALL FORFEIT TO THE STATE \$50) or otherwise fails to provide a report required by this section in the manner provided by this section, the commissioner may impose a penalty of up to \$200 for each (SUCH) failure.*

The attorney general shall sue in a civil action to collect this penalty upon notification of the matter by the commissioner (OF THE DEPARTMENT OF LABOR AND INDUSTRY). The commissioner (OF THE DEPARTMENT OF LABOR AND

INDUSTRY) shall certify to the attorney general each failure to report immediately upon its occurrence.

Penalties collected by the state under this subdivision shall be paid into the state treasury.

Sec. 124. Minnesota Statutes 1982, section 176.241, subdivision 2, is amended to read:

Subd. 2. [CONTINUANCE OF EMPLOYER'S LIABILITY; SUSPENSION.] Except (WHERE) *when* the commissioner orders otherwise, until the copy of the notice and reports have been filed with the division, the liability of the employer to make payments of compensation continues.

When the division has received a copy of the notice of discontinuance, the statement of facts and available medical reports, the duty of the employer to pay compensation is suspended pending an investigation, hearing, and determination of the matter by the division or *compensation judge* as provided in the following subdivisions.

Sec. 125. Minnesota Statutes 1982, section 176.241, subdivision 4, is amended to read:

Subd. 4. [ORDER.] When the hearing has been held (,) and (HE HAS DULY CONSIDERED) the evidence *duly considered*, the person who held the hearing shall promptly enter an order directing the payment of further compensation or confirming the termination of compensation. (WHERE) *If* the order confirms a termination of compensation, (THE COMMISSIONER OF LABOR AND INDUSTRY SHALL NOTIFY THE EMPLOYER OF THE ACTION. THIS NOTIFICATION) *the service and filing of the order* relieves the employer from further liability for compensation subject to the right of review afforded by this chapter, and to the right of the (DIVISION) *compensation judge* to set aside the order at any time prior to the review and to grant a new hearing pursuant to this chapter. *Once an appeal to the workers' compensation court of appeals is filed, a compensation judge may not set aside the order but the court of appeals may remand the matter to a compensation judge for a new hearing.*

Sec. 126. [176.242] [ADMINISTRATIVE CONFERENCE PRIOR TO DISCONTINUANCE OF COMPENSATION.]

Subdivision 1. [NOTICE OF DISCONTINUANCE; GROUNDS.] *If an employer or insurer files a notice of intention to discontinue, the employer or insurer shall serve a copy upon the commissioner and the employee including detailed reasons for the intended discontinuance.*

Subd. 2. [CONFERENCE, REQUEST.] (a) *The employee has ten calendar days from the date the notice was served to request that the commissioner schedule an administrative conference to determine the appropriateness of the proposed discontinuance. The employer or insurer may request an administrative conference under this section at any time whether or not a notice of intent to discontinue is filed. The commissioner shall schedule an administrative conference to be held within ten calendar days after the commissioner receives timely notice of the employee's or employer's request for an administrative conference.*

(b) *If the employee does not, in a timely manner, request that the commissioner schedule an administrative conference, or fails to appear, without good cause, at a scheduled conference, compensation may be discontinued, subject to the employee's right under section 176.241.*

(c) *An employee or employer may request a continuance of a scheduled administrative conference. If the commissioner determines that good cause exists for granting a continuance the commissioner may grant the continuance which shall not exceed ten calendar days. No more than one continuance shall be granted. If the employee is granted a continuance, compensation need not be paid during the period of continuance but shall recommence upon the date of the conference unless the commissioner orders otherwise.*

(d) *The purpose of an administrative conference is to determine whether reasonable grounds exist for a discontinuance and to clarify issues and resolve disputes regarding the discontinuance.*

Subd. 3. [NECESSITY FOR CONFERENCE, COMMISSIONER'S DISCRETION.] *The commissioner may determine that no administrative conference is necessary under this section and permit the employer or insurer to discontinue compensation, subject to the employee's right under section 176.241.*

The commissioner may permit compensation to be discontinued at any time after a notice pursuant to subdivision 1 is received even if no administrative conference has been held, if the commissioner deems the discontinuance appropriate based on the information the commissioner has; subject to the employee's right under section 176.241.

Subd. 4. [ADMINISTRATIVE DECISION.] *After considering the information provided by the parties at the administrative conference, the commissioner shall issue to all interested parties a written administrative decision permitting or denying the employer's or insurer's request to discontinue compensation. The decision shall be issued within five working days from the close of the conference. The commissioner's decision is binding.*

on the parties. The commissioner shall advise all parties of the right to petition to the chief hearing examiner under section 176.241 and of the right to be represented by an attorney at a hearing before a compensation judge.

Subd. 5. [OBJECTION TO DECISION.] If the commissioner grants the employer's or insurer's request to discontinue compensation and the employee objects to the discontinuance, the employee may file an objection to discontinuance under section 176.241. If the commissioner denies the request to discontinue compensation the employer or insurer may file a petition to discontinue under section 176.241.

Subd. 6. [EFFECT OF DECISION, APPEAL.] If an objection or a petition is filed under subdivision 5, the commissioner's administrative decision remains in effect and the parties obligations or rights to pay or receive compensation are governed by the commissioner's administrative decision, pending a determination by a compensation judge.

Subd. 7. [DECISION AS NOTICE.] If a party proceeds under subdivision 5, the commissioner's administrative decision under this section is deemed required notice to interested parties under section 176.241 and the commissioner's obligations under section 176.241 are deemed to be met.

Subd. 8. [WHEN DISCONTINUANCE ALLOWED.] Compensation shall not be discontinued prior to an administrative conference except as provided under subdivision 2, clause (b) or if the commissioner determines pursuant to subdivision 3 that no administrative conference is necessary. The employer may discontinue compensation immediately without having an administrative conference if the discontinuance is because the employee has returned to work.

Subd. 9. [NOTICE, FORMS.] Notice to the employee under subdivision 1 shall be on forms prescribed by the commissioner.

Subd. 10. [FINES, VIOLATIONS.] An employer or insurer who discontinues compensation in violation of this section is subject to a fine of up to \$500 for each violation. Fines shall be paid to the special compensation fund.

Subd. 11. [APPLICATION.] This section is applicable to any notice of intent to discontinue which is filed after the effective date of this section, even if the injury occurred prior to the effective date of this section.

Sec. 127. [176.243] [ADMINISTRATIVE CONFERENCE FOLLOWING RETURN TO WORK, SUBSEQUENT INABILITY TO WORK.]

Subdivision 1. [CONFIRMATION OF EMPLOYMENT AND WAGES.] *If an insurer has discontinued compensation to an employee because the employee has returned to work, the insurer shall contact the employer by whom the employee is employed 14 calendar days after return to work. The insurer shall determine whether the employee is still employed after 14 days and shall also ascertain the wages being paid to the employee.*

Subd. 2. [NOTICE TO COMMISSIONER.] *If upon contact the insurer determines that the employee is not working or that the employee is earning a lower wage than at the time of the injury, the insurer shall notify the commissioner in writing of this fact and shall also state the actions that the insurer has taken or intends to take regarding payment of compensation. A copy of this notice shall be served by the insurer by certified mail to the employee.*

Subd. 3. [EMPLOYEE REQUEST FOR ADMINISTRATIVE CONFERENCE.] *If the employee objects to the action of the insurer regarding payment of compensation upon the cessation of work by the employee, the employee may request an administrative conference with the commissioner to resolve disputed issues. A request for an administrative conference shall be made within ten calendar days after service of the notice on the employee. If the employee requests an administrative conference the commissioner shall schedule a conference to be held within 14 calendar days after the commissioner receives the request.*

Subd. 4. [ADMINISTRATIVE DECISION.] *After considering the information provided by the parties at the administrative conference the commissioner shall issue to all interested parties a written administrative decision regarding payment of compensation. The commissioner's decision is binding upon the parties and the rights and obligations of the parties are governed by the decision. The commissioner shall advise all parties of the right to petition to the chief hearing examiner under section 176.241 and of the right to be represented by an attorney at a hearing before a compensation judge. A party aggrieved by the commissioner's decision may proceed under section 176.241.*

Subd. 5. [DECISION BINDING PENDING COMPENSATION JUDGE DECISION.] *If an aggrieved party files a petition under section 176.241, the commissioner's administrative decision remains in effect pending a determination by a compensation judge.*

Subd. 6. [DECISION AS NOTICE.] *If a party proceeds under section 176.241, the commissioner's administrative decision is deemed to fulfill the division's obligations under section 176.241.*

Subd. 7. [OBLIGATIONS PRIOR TO ADMINISTRATIVE DECISION.] *If an insurer has not voluntarily recommenced*

compensation following the employee's cessation of work, the insurer is not obligated to do so until an administrative conference is held and unless the commissioner determines that compensation shall be recommenced.

Subd. 8. [NECESSITY OF ADMINISTRATIVE CONFERENCE.] If the commissioner deems it appropriate, based upon information the commissioner has, the commissioner may determine that an administrative conference is not necessary, in which case a party may proceed under section 176.241.

Subd. 9. [APPLICATION OF SECTION.] This section applies only when the employee has received at least 60 days of temporary total or temporary partial compensation prior to return to work and if no rehabilitation plan has been approved.

Subd. 10. [NOTICE FORMS.] A notice under this section shall be on a form prescribed by the commissioner.

Subd. 11. [FINES, VIOLATIONS.] An employer or insurer who violates this section is subject to a fine of up to \$500 for each violation which shall be paid to the special compensation fund.

Subd. 12. [APPLICATION.] This section is applicable to all cases in which a return to work has occurred after the effective date of this section even if the injury occurred prior to the effective date.

Sec. 128. Minnesota Statutes 1982, section 176.281, is amended to read:

176.281 [ORDERS, DECISIONS, AND AWARDS; FILING; SERVICE.]

When the commissioner or compensation judge or office of administrative hearings or the workers' compensation court of appeals has rendered (AN) a final order, decision, or award, or amendment to an order, decision, or award, it shall be filed immediately with the commissioner. (WHERE) If the commissioner, compensation judge, office of administrative hearings, or workers' compensation court of appeals has rendered (AN) a final order, decision, or award, or amendment thereto, the commissioner or the office of administrative hearings or the workers' compensation court of appeals shall immediately serve a copy upon every party in interest, together with a notification of the (TIME) date the (SAME) order was filed.

Sec. 129. Minnesota Statutes 1982, section 176.285, is amended to read:

176.285 [SERVICE OF PAPERS AND NOTICES.]

Service of papers and notices shall be by mail or (BY SUCH OTHER MEANS) *otherwise* as the commissioner (OF THE DEPARTMENT OF LABOR AND INDUSTRY DIRECTS) or the *chief hearing examiner may by rule direct*. Where service is by mail, service is effected at the time mailed if properly addressed and stamped. If it is so mailed, it is presumed the paper or notice reached the party to be served. However, a party may show by competent evidence that (HE) *that party* did not receive it or that it had been delayed in transit for an unusual or unreasonable period of time. In case of (SUCH) non-receipt or delay, an allowance shall be made for the party's failure to assert a right within the prescribed time.

The commissioner (OF THE DEPARTMENT OF LABOR AND INDUSTRY) *and the chief hearing examiner* shall (KEEP A CAREFUL RECORD OF EACH SERVICE INCLUDING THE TIME WHEN MADE) *ensure that proof of service of all papers and notices served by their respective agencies is placed in the official file of the case.*

Sec. 130. [176.312] [AFFIDAVIT OF PREJUDICE.]

An affidavit of prejudice for cause may be filed by a party to the claim against a compensation judge, in the same manner as an affidavit of prejudice is filed pursuant to law or rule of district court. The filing of an affidavit of prejudice against a compensation judge has the same effect and shall be treated in the same manner as in district court.

Sec. 131. Minnesota Statutes 1982, section 176.321, subdivision 1, is amended to read:

Subdivision 1. [FILING, SERVICE.] Within (TWENTY) 20 days after (HE HAS BEEN SERVED WITH A COPY) *service of the petition, an adverse party (MAY) shall serve and file (A VERIFIED) an answer to the petition. (WHEN HE FILES THE ANSWER,) The party shall (ALSO) serve a copy of the answer on the petitioner or (HIS) the petitioner's attorney.*

(WITHIN FIVE DAYS AFTER HE HAS BEEN SERVED WITH A COPY OF THE ANSWER, THE PETITIONER MAY FILE A VERIFIED REPLY ADMITTING OR DENYING NEW MATTER SET FORTH IN THE ANSWER.)

Sec. 132. Minnesota Statutes 1982, section 176.331, is amended to read:

176.331 [AWARD BY DEFAULT.]

(WHERE) *If an adverse party (HAS FAILED) fails to file and serve an answer (, IF) and the petitioner presents proof*

of (SUCH) *this* fact, the *commissioner* or compensation judge (SHALL) *may* enter whatever award or order to which *the* petitioner is entitled on the basis of the facts alleged in the petition, but the compensation judge may require proof of an alleged fact. If the commissioner requires (SUCH) proof, (HE) *the commissioner* shall request the chief hearing examiner to assign the matter to a compensation judge (TO SUMMARILY HEAR AND DETERMINE THE SAME) *for an immediate hearing* and (TO PROMPTLY MAKE AN) *prompt* award or *other* order.

Where in (SUCH) a default case the petition does not state facts sufficient to support an award, the compensation judge shall give the petitioner or (HIS) *the petitioner's* attorney written notice of this deficiency. The petitioner may thereupon *serve* and file another petition as in the case of an original petition.

Sec. 133. Minnesota Statutes 1982, section 176.341, is amended to read:

176.341 [HEARING ON PETITION.]

Subdivision 1. [TIME.] (WHEN THE REPLY HAS BEEN FILED OR THE TIME HAS EXPIRED IN WHICH TO FILE A REPLY) *Upon receipt of a matter from the commissioner*, the chief hearing examiner shall fix a time and place for hearing the petition. The hearing shall be held as soon as practicable and at a time and place determined by the chief hearing examiner to be the most convenient for the parties, keeping in mind the intent of chapter 176 (AS EXPRESSED IN SECTION 176.001) and the requirements of section 176.306.

Subd. 2. [PLACE.] Unless otherwise ordered by the (COMMISSIONER OF THE DEPARTMENT OF LABOR AND INDUSTRY OR COMPENSATION JUDGE) *chief hearing examiner*, the hearing shall be held in the county where the injury or death occurred.

Subd. 3. [NOTICE MAILED TO EACH PARTY.] At least (FIVE) 30 days prior to the date of hearing, the (WORKERS' COMPENSATION DIVISION) *chief hearing examiner* shall mail a notice of the time and place of hearing to each interested party. *This subdivision does not apply to hearings which have been continued from an earlier date. In those cases, the notice shall be given in a manner deemed appropriate by the chief hearing examiner after considering the particular circumstances in each case.*

Sec. 134. Minnesota Statutes 1982, section 176.361, is amended to read:

176.361 [INTERVENTION.]

(WHERE) A person *who* has an interest in any matter before the workers' compensation court of appeals, or commissioner, or compensation judge (OF) such (A CHARACTER) that (HE) *the person* may either gain or lose by an order or decision (, HE) may intervene in the proceeding by filing an application in writing stating the facts which show (SUCH) *the* interest.

The commissioner of the department of labor and industry and workers' compensation court of appeals shall adopt rules to govern the procedure for intervention.

Sec. 135. Minnesota Statutes 1982, section 176.371, is amended to read:

176.371 [AWARD OR DISALLOWANCE OF COMPENSATION.]

The compensation judge to whom a petition has been assigned for hearing, shall hear all competent, *relevant* evidence produced at the hearing (, AND, AS SOON AFTER THE HEARING AS POSSIBLE, MAKE FINDINGS OF FACT, CONCLUSIONS OF LAW,). *All questions of fact and law submitted to a compensation judge at the hearing shall be disposed of and the judge's decision shall be filed with the commissioner within 60 days after the submission, unless sickness or casualty prevents a timely filing, or the time is extended by written consent of the parties, or the chief hearing examiner extends the time for good cause. The compensation judge's decision shall include a determination of all contested issues of fact and law and an award or disallowance of compensation or other order as the pleadings, evidence, this chapter and rule require. A compensation judge's decision shall include a memorandum only if necessary to delineate the reasons for the decision or to discuss the credibility of witnesses. A memorandum shall not contain a recitation of the evidence presented at the hearing but shall be limited to the compensation judge's basis for the decision.*

No part of the salary of a compensation judge shall be paid unless the chief hearing examiner determines that all decisions of that judge have been issued within the time limit prescribed by this section.

Sec. 136. Minnesota Statutes 1982, section 176.421, subdivision 3, is amended to read:

Subd. 3. [NOTICE OF APPEAL.] The appellant or (HIS) *the appellant's* attorney shall prepare and sign a written notice of appeal specifying:

- (1) the order appealed from;
- (2) that appellant appeals from the order to the workers' compensation court of appeals;

(3) the particular finding of fact or conclusion of law which (HE) *the appellant* claims was unwarranted by the evidence or procured by fraud, coercion, or other improper conduct; and

(4) (THE TESTIMONY OR OTHER PART OF THE RECORD OF THE HEARING NECESSARY TO BE TRANSCRIBED IN ORDER FOR THE COURT OF APPEALS TO CONSIDER THE APPEAL; AND,)

((5)) any other ground upon which the appeal is taken.

An appeal initiates the preparation of a typewritten transcript of the entire record unless the appeal is solely from an award of attorney's fees or an award of costs and disbursements or unless otherwise ordered by the court of appeals. On appeals from an award of attorney's fees or an award of costs and disbursements, the appellant must specifically delineate in the notice of appeal the portions of the record to be transcribed in order for the court of appeals to consider the appeal.

Sec. 137. Minnesota Statutes 1982, section 176.421, subdivision 4, is amended to read:

Subd. 4. [SERVICE AND FILING OF NOTICE: COST OF TRANSCRIPT.] Within the 30 day period for taking an appeal, the appellant shall:

(1) Serve a copy of the notice of appeal on each adverse party;

(2) File the original notice, with proof of service by admission or affidavit, with the chief hearing examiner and file a copy with the commissioner;

(3) In order to defray the cost of the preparation of the record of the proceedings appealed from, pay to the state treasurer, office of administrative hearings account the sum of \$25 (; AND)

((4) SUBMIT A REQUEST THAT THE CHIEF HEARING EXAMINER ORDER THE PREPARATION OF A TRANSCRIPT OF THAT PART OF THE HEARING DELINEATED IN THE NOTICE OF APPEAL).

(A PARTY WHO DESIRES A TRANSCRIPT OF MORE OF THE HEARING THAN HAS BEEN REQUESTED BY THE APPELLANT SHALL, WITHIN FIVE WORKING DAYS OF SERVICE OF THE NOTICE OF APPEAL, MAKE A REQUEST OF THE CHIEF HEARING EXAMINER THAT THE ADDITIONAL TESTIMONY BE TRANSCRIBED.)

The *first party* (REQUESTING THE PREPARATION OF THE TRANSCRIPT OR ANY PART) to file an appeal is liable for the original cost of preparation of the transcript. Cross-appellants or any other persons requesting a copy of the transcript are liable for the cost of the copy. The cost of a transcript prepared by a non-governmental source shall be paid directly to that source and shall not exceed the cost that the source would be able to charge the state for the same service.

Upon a showing of cause, the chief hearing examiner may direct that a transcript be prepared without expense to the party requesting its preparation, in which case the cost of the transcript shall be paid by the office of administrative hearings.

All fees received by the office of administrative hearings for the preparation of the record for submission to the workers' compensation court of appeals or for the cost of transcripts prepared by the office shall be deposited in the office of administrative hearings account in the state treasury and shall be used solely for the purpose of keeping the record of hearings conducted under this chapter and the preparation of transcripts of those hearings.

Sec. 138. Minnesota Statutes 1982, section 176.421, subdivision 6, is amended to read:

Subd. 6. [POWERS OF WORKERS' COMPENSATION COURT OF APPEALS ON APPEAL.] On an appeal taken under this section, the workers' compensation court of (APPEALS) *appeals' review is limited to the issues raised by the parties in the notice of appeal or by a cross-appeal. In these cases, on those issues raised by the appeal, the workers' compensation court of appeals may:*

- (1) disregard the findings of fact which the compensation judge has made;
- (2) examine the record;
- (3) substitute for the findings of fact made by the compensation judge such findings as the total evidence requires; and,
- (4) make an award or disallowance of compensation or other order as the facts and findings require.

Sec. 139. Minnesota Statutes 1982, section 176.421, subdivision 7, is amended to read:

Subd. 7. [RECORD OF PROCEEDINGS.] At the division's own expense, the commissioner shall make a complete record of all proceedings before (HIMSELF.) the commissioner and shall

provide a stenographer or an audio magnetic recording device to make (A) the record of the proceedings (BEFORE HIM).

The commissioner shall furnish a transcript of these proceedings to any person who requests it and who pays a reasonable charge (AND SHALL FIX THE AMOUNT OF THIS CHARGE) which shall be set by the commissioner. Upon a showing of cause, the commissioner may direct that a transcript be prepared without expense to the person requesting the transcript, in which case the cost of the transcript shall be paid by the division. Transcript fees received under this subdivision shall be paid to the workers' compensation division account in the state treasury and shall be annually appropriated to the division for the sole purpose of providing a record and transcripts as provided in this subdivision.

Sec. 140. Minnesota Statutes 1982, section 176.442, is amended to read:

176.442 [APPEALS FROM DECISIONS OF COMMISSIONER (OF DEPARTMENT OF LABOR AND INDUSTRY).]

Any decision or determination of the commissioner (OF THE DEPARTMENT OF LABOR AND INDUSTRY) affecting a right, privilege, benefit, or duty which is imposed or conferred under this chapter is subject to review by the workers' compensation court of appeals. A person aggrieved by (SUCH) the determination may appeal to the workers' compensation court of appeals by filing a notice of appeal with the commissioner in the same manner and within the same time as if the appeal were from an order or decision of a compensation judge to the workers' compensation court of appeals.

Sec. 141. Minnesota Statutes 1982, section 176.461, is amended to read:

176.461 [SETTING ASIDE AWARD.]

Except (WHERE) when a writ of certiorari has been issued by the supreme court and the matter is still pending in that court or (WHERE) if as a matter of law the determination of the supreme court cannot be subsequently modified, the workers' compensation court of appeals, for cause, at any time after an award, upon application of either party and not less than five working days after written notice to all interested parties, may set the award aside and grant a new hearing and refer the matter for a determination on its merits to the chief hearing examiner for assignment to a compensation judge, who shall make (SUCH) findings of fact, conclusions of law, and an order of award or disallowance of compensation or other order (AS) based on the pleadings and the evidence produced and as required

by the provisions of this chapter (SHALL REQUIRE) or rules adopted under it.

Sec. 142. Minnesota Statutes 1982, section 176.521, subdivision 2, is amended to read:

Subd. 2. [APPROVAL.] Settlements shall be approved only where the terms conform with this chapter.

The division, a compensation judge, the workers' compensation court of appeals, and the district court shall exercise discretion in approving or disapproving a proposed settlement.

The parties to the agreement of settlement have the burden of proving that the settlement is reasonable, fair, and in conformity with this chapter. A settlement agreement where both the employee or his dependent and the employer or insurer and intervenors in the matter are represented by an attorney shall be conclusively presumed to be reasonable, fair, and in conformity with this chapter *except when the settlement purports to be a full, final, and complete settlement of an employee's right to medical compensation under this chapter or rehabilitation under section 176.102. A settlement which purports to do so must be approved by the division, a compensation judge, or workers' compensation court of appeals.*

The conclusive presumption in this subdivision applies to a settlement agreement entered into on or after January 15, 1982, whether the injury to which the settlement applies occurred prior to or on or after January 15, 1982.

Sec. 143. Minnesota Statutes 1982, section 176.521, subdivision 2a, is amended to read:

Subd. 2a. [SETTLEMENTS NOT SUBJECT TO APPROVAL.] When a settled case is not subject to approval, upon receipt of the stipulation for settlement, a compensation judge (OR), a settlement judge, or the workers' compensation court of appeals shall immediately sign the award and file it with the commissioner. Payment pursuant to the award shall be made within 14 days after it is filed with the commissioner. The commissioner may correct mathematical or clerical errors at any time.

Sec. 144. Minnesota Statutes 1982, section 176.521, subdivision 3, is amended to read:

Subd. 3. [SETTING ASIDE AWARD UPON SETTLEMENT.] Notwithstanding the provisions of section 176.521, subdivision 1, 2, or 2a, or any provision in the agreement of settlement to the contrary, upon the filing of a petition by any party to the settlement and after a hearing on the petition, the workers' compensation court of appeals may set aside an award made upon

a settlement, pursuant to this chapter. *In those cases, the workers' compensation court of appeals shall refer the matter to the chief hearing examiner for assignment to a compensation judge for hearing.*

Sec. 145. Minnesota Statutes 1982, section 176.561, is amended to read:

176.561 [WORKERS' COMPENSATION COURT OF APPEALS POWERS AND DUTIES AS TO STATE EMPLOYEES; PROCEDURE FOR DETERMINING LIABILITY.]

The division, a *compensation judge* and the workers' compensation court of appeals have the same powers and duties in matters relating to state employees as they have in relation to other employees.

Except as specifically provided otherwise (HEREIN) *in this chapter*, the procedure for determining the liability of the state for compensation is the same as that applicable in other cases.

Sec. 146. [176.572] [CONTRACT WITH INSURANCE CARRIERS.]

The commissioner may contract with group health insurance carriers or health maintenance organizations to provide health care services and reimburse health care payments for injured state employees entitled to benefits under this chapter.

Sec. 147. Minnesota Statutes 1982, section 176.571, subdivision 6, is amended to read:

Subd. 6. [FORMAL HEARING ON OBJECTIONS.] *If the commissioner (OF THE DEPARTMENT OF LABOR AND INDUSTRY SHALL HOLD) determines that a formal hearing on the objections which have been filed to the proposed order (WHERE THE CIRCUMSTANCES WARRANT SUCH) is warranted, the commissioner shall refer the matter to the chief hearing examiner for the assignment of a compensation judge who shall hold a hearing. (THE HEARING SHALL BE BEFORE A COMPENSATION JUDGE.)*

Sec. 148. Minnesota Statutes 1982, section 176.645, subdivision 1, is amended to read:

Subdivision 1. [AMOUNT.] For injuries occurring after October 1, 1975 for which benefits are payable under section 176.101, subdivisions 1, 2, 3a, and 4, and section 176.111, subdivision 5, the total benefits due the employee or any dependents shall be adjusted in accordance with this section. On October 1, 1981, and thereafter on the anniversary of the date of the employee's injury the total benefits due shall be adjusted by multi-

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

Sec. 149. Minnesota Statutes 1982, section 176.66, is amended by adding a subdivision to read:

Subd. 10. [MULTIPLE EMPLOYERS OR INSURERS; LIABILITY.] The employer liable for the compensation for a personal injury under this chapter is the employer in whose employment the employee was last exposed to the hazard of the occupational disease claimed. In the event that the employer who is liable for the compensation had multiple insurers during the employee's term of employment, the insurer or self-insurer who was on the risk during the employee's last exposure to the hazard of the occupational disease claimed is the liable party.

Sec. 150. Minnesota Statutes 1982, section 176.66, is amended by adding a subdivision to read:

Subd. 11. [AMOUNT OF COMPENSATION.] The compensation for an occupational disease shall be 66-2/3 percent of the employee's weekly wage on the date of last exposure of the occupational disease claimed, subject to a maximum compensation equal to the maximum compensation in effect on the date of last exposure provided that the employee shall be immediately eligible for supplementary benefits if that employee's compensation is less than 65 percent of the statewide average weekly wage.

Sec. 151. Minnesota Statutes 1982, section 176.66, is amended by adding a subdivision to read:

Subd. 13. [EMPLOYER RIGHT TO RECOVER.] An employer or insurer who has paid compensation pursuant to this section has a right of subrogation, indemnity, or contribution against an employer or insurer for whom the employee has previously worked during which time the employee was exposed to the hazard of the occupational disease claimed. This right shall be asserted in an action before a compensation judge or may be arbitrated pursuant to section 176.191, subdivisions 5 to 8.

Sec. 152. [176.83] [RULES.]

In addition to any other section under this chapter giving the commissioner the authority to adopt rules, the commissioner may adopt, amend, or repeal rules to implement the provisions of this chapter. The rules shall have the force and effect of law and are binding on a compensation judge, workers' compensation court of appeals, rehabilitation review panel, and the medical services advisory board and shall include but are not limited to:

(a) rules necessary to implement and administer section 176.102, including the establishment of qualifications necessary to be a qualified rehabilitation consultant and the requirements to be an approved registered vendor of rehabilitation services including registration fees to be paid by rehabilitation consultants and approved vendors under section 176.102. Registration fees set by the commissioner shall be set so that the total fees received approximate the amount appropriated for the function, plus the portion of general support costs and statewide indirect costs of the agency that is attributable to the function for which the fee is charged. Subsequent fee adjustments may be made without a public hearing when the total fees estimated to be received during the fiscal biennium will not exceed the sum of all direct appropriations, indirect costs, transfers in, and salary supplements for that purpose for the biennium. The rules may also provide for penalties to be imposed by the commissioner against insurers or self-insured employers who fail to provide rehabilitation consultation to employees pursuant to section 176.102. These rules may also establish criteria regarding "reasonable moving expenses" under the section. The rules may also establish criteria, guidelines, methods, or procedures to be met by an employer or insurer in providing the initial rehabilitation consultation pursuant to this chapter which would permit the initial consultation to be provided by an individual other than a qualified rehabilitation consultant, provided that in absence of such rules this consultation shall be conducted pursuant to the provisions of this chapter governing rehabilitation consultation;

(b) rules establishing standards for reviewing and evaluating the clinical consequences of services provided by qualified rehabilitation consultants, approved registered vendors of rehabilitation services, and services provided to an employee by health care providers;

(c) rules establishing standards and procedures for determining whether or not charges for health services or rehabilitation services rendered under this chapter are excessive. In this regard, the standards and procedures shall be structured to determine what is necessary to encourage providers of health services and rehabilitation services to develop and deliver services for the rehabilitation of injured employees.

The procedures shall include standards for evaluating hospital care, other health care and rehabilitation services to insure that quality hospital, other health care, and rehabilitation is available and is provided to injured employees;

(d) rules establishing standards and procedures for determining whether a provider of health care services and rehabilitation services, including a provider of medical, chiropractic, podiatric, surgical, hospital or other services, is performing procedures or providing services at a level or with a frequency that is excessive, based upon accepted medical standards for quality health care and accepted rehabilitation standards.

If it is determined by the commissioner that the level, frequency or cost of a procedure or service of a provider is excessive according to the standards established by the rules, the provider shall not be paid for the excessive procedure, service, or cost by an insurer, self-insurer, or group self-insurer. In addition, the provider shall not be reimbursed or attempt to collect reimbursement for the excessive procedure, service, or cost from any other source, including the employee, another insurer, the special compensation fund, or any government program.

A health or rehabilitation provider who is determined by the commissioner to be consistently performing procedures or providing services at an excessive level or cost may be prohibited from receiving any further reimbursement for procedures or services provided under chapter 176. A prohibition imposed on a provider under this clause may be grounds for revocation or suspension of the provider's license or certificate of registration to provide health care or rehabilitation service in Minnesota by the appropriate licensing or certifying body.

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

(e) rules establishing procedures and standards for the certification of physicians, chiropractors, podiatrists, and other health-care providers, including rules related to additional training and continuing education, in order to assure the coordination of treatment, rehabilitation, and other services and requirements of chapter 176 for carrying out the purposes and intent of this chapter;

(f) rules necessary for implementing and administering the provisions of sections 176.001, 176.131, 176.132, 176.134, 176.242, 176.243, 176.251, 176.66 to 176.669, and rules regarding proper allocation of compensation under section 176.111 provided that under the rules adopted under section 176.111 a party may petition for a hearing before a compensation judge to determine the

proper allocation. In this case the compensation judge may order a different allocation than prescribed by rule;

(g) procedures required for the implementation and administration of section 176.129;

(h) rules to govern the procedure for intervention pursuant to section 176.361;

(i) joint rules with either or both the workers' compensation court of appeals and the chief hearing examiner which may be necessary in order to provide for the orderly processing of claims or petitions made or filed pursuant to chapter 176;

(j) rules establishing criteria to be used by the division, compensation judge, and workers' compensation court of appeals to determine "suitable gainful employment" and "independent contractor"; or

(k) forms and other reporting procedures to be used by an employer, insurer, medical provider, qualified rehabilitation consultant, approved vendor of rehabilitation services, attorney, employee, or other person subject to the provisions of this chapter.

The chief hearing examiner shall adopt rules relating to procedures in matters pending before a compensation judge in the office of administrative hearings.

The commissioner may adopt rules regarding requirements which must be met by individuals who are employed by insurers or self-insurers or claims servicing or adjusting agencies and who work as claims adjusters in the field of workers' compensation insurance.

The commissioner may adopt temporary rules establishing qualifications necessary to be a qualified rehabilitation consultant and penalties to be imposed against qualified rehabilitation consultants or approved vendors who violate this chapter or rules, including temporary rules, adopted under this chapter. In addition to the provisions of sections 14.29 to 14.36, at least one public hearing shall be held prior to the adoption of these temporary rules.

Sec. 153. [176.84] [SPECIFICITY OF NOTICE OR STATEMENT.]

All notices or statements required by this chapter including, but not limited to, notices or statements pursuant to sections 176.102, 176.103, 176.221, 176.241, 176.242, and 176.243, shall be sufficiently specific to convey clearly, without further inquiry,

the basis upon which the party issuing the notice or statement is acting. If the commissioner or compensation judge determines that a notice or statement is not sufficiently specific to meet the standard under this section, the notice or statement may be rejected as unacceptable and the party issuing it shall be informed of this. The rejected notice or statement may be amended to meet the requirement of this section or a new one may be filed.

Sec. 154. [176.85] [PENALTIES; APPEALS.]

Subdivision 1. [APPEAL PROCEDURE.] If the commissioner has assessed a penalty against a party subject to this chapter and the party believes the penalty is not warranted, the party may request that a formal hearing be held on the matter. Upon a request for a hearing the commissioner shall refer the matter to the chief hearing examiner for assignment to a compensation judge or hearing examiner.

The chief hearing examiner shall keep a record of the proceeding and provide a record pursuant to section 176.421.

The decision of the compensation judge or hearing examiner shall be final and shall be binding and enforceable. The decision may be appealed to the workers' compensation court of appeals.

Subd. 2. [EXCEPTION.] This section does not apply to penalties for which another appeal procedure is provided, including but not limited to penalties imposed pursuant to sections 176.102 or 176.103.

Subd. 3. [HEARING COSTS.] For purposes of this section, a hearing before a hearing examiner shall be treated in the same manner as a hearing before a compensation judge and no costs may be charged to the commissioner for the hearing, regardless of who hears it.

Sec. 155. Minnesota Statutes 1982, section 268.08, subdivision 3, is amended to read:

Subd. 3. [NOT ELIGIBLE.] An individual shall not be eligible to receive benefits for any week with respect to which he is receiving, has received, or has filed a claim for remuneration in an amount equal to or in excess of his weekly benefit amount in the form of

(1) termination, severance, or dismissal payment or wages in lieu of notice whether legally required or not; provided that if a termination, severance, or dismissal payment is made in a lump sum, the employer may allocate such lump sum payment over a period equal to the lump sum divided by the employee's regular pay while employed by such employer; provided any

such payment shall be applied for a period immediately following the last day of work but not to exceed 28 calendar days; or

(2) vacation allowance paid directly by the employer for a period of requested vacation, including vacation periods assigned by the employer under the provisions of a collective bargaining agreement, or uniform vacation shutdown; or

(3) compensation for loss of wages under the workers' compensation law of this state or any other state or under a similar law of the United States, or under other insurance or fund established and paid for by the employer *except that this does not apply to an individual who is receiving temporary partial compensation pursuant to section 176.101, subdivision 3j*; or

(4) 50 percent of the pension payments from any fund, annuity or insurance maintained or contributed to by a base period employer including the armed forces of the United States if the employee contributed to the fund, annuity or insurance and all of the pension payments if the employee did not contribute to the fund, annuity or insurance; or

(5) 50 percent of a primary insurance benefit under Title II of the social security act as amended, or similar old age benefits under any act of congress or this state or any other state.

Provided, that if such remuneration is less than the benefits which would otherwise be due under sections 268.03 to 268.24, he shall be entitled to receive for such week, if otherwise eligible, benefits reduced by the amount of such remuneration; provided, further, that if the appropriate agency of such other state or the federal government finally determines that he is not entitled to such benefits, this provision shall not apply.

Sec. 156. Minnesota Statutes 1982, section 471.982, subdivision 2, is amended to read:

Subd. 2. The commissioner of insurance is authorized to (PROMULGATE) *adopt* administrative rules, including emergency rules pursuant to sections 14.01 to 14.70. These rules may provide standards or guidelines governing the formation, operation, administration, dissolution of self insurance pools, and other reasonable requirements to further the purpose of this section (AND). *In developing the rules under this section, the commissioner shall (AT A MINIMUM REQUIRE) consider the following:*

(a). *The requirements for self-insuring pools of political subdivisions shall be no more restrictive and may be less restrictive than the requirements for self-insuring pools of private employers;*

(b) All participants in the pool are jointly and severally liable for all claims and expenses of the pool;

((B)) (c) Each pool shall contract with a service company licensed by the commissioner to provide or contract for all administrative services required by the pool. No vendor of risk management services or entity administering a self insurance plan under this section may transact such business in this state unless it is licensed to do so by the commissioner. An applicant for a license shall state in writing the type of activities it seeks authorization to engage in and the type of services it seeks authorization to provide. The license shall be granted only when the commissioner is satisfied that the entity possesses the necessary organization, background, expertise, and financial integrity to supply the services sought to be offered. The commissioner may issue a license subject to restrictions or limitations upon the authorization, including the type of services which may be supplied or the activities which may be engaged in. The license fee shall be \$100. All licenses shall be for a period of two years;

((C)) (d) The service company has sole responsibility for the settlement of all claims against the pool or its members for which the pool may provide indemnification;

((D)) (e) A minimum premium volume for each pool shall be established. The minimum premium volume may differ because of the kinds of coverage provided, and the limits of liability for the coverage;

((E)) (f) All premiums or other assessments due to the pool from members shall be payable prior to the period for which coverage is being provided, or at equal intervals throughout the period;

((F)) (g) Premiums shall (EITHER) be (ESTABLISHED BY AN ACTUARY APPROVED BY THE COMMISSIONER OR SHALL BE PREMIUMS FILED BY A LICENSED RATE SERVICE ORGANIZATION WITH REDUCTIONS PERMITTED SOLELY FOR ADMINISTRATIVE OR PREMIUM TAX SAVINGS) *neither excessive, inadequate, nor unfairly discriminatory;*

((G)) (h) The commissioner may require each pool to purchase excess insurance above certain limits and in a particular form. The limits or form of the excess insurance may differ based on the kinds of coverage offered by a pool, the limits of liability of the coverage, and the revenues available to pool members for the payment of premiums or assessments;

((H)) (i) Each pool shall be audited annually by a certified public accountant;

((I)) (j) *Whether* limitations on the payment of dividends to pool members (MAY BE ESTABLISHED AS) *are* necessary

to assure the solvency of the pool in view of the taxing and levying authority of political subdivisions;

((J)) (k) No participant may withdraw from a pool for a period of at least three years after its initial entry into the pool;

((K)) (l) The amount of any liabilities in excess of assets shall be assessed to members of the pool within 30 days after a deficiency is identified and shall be payable by the member within 90 days;

((L)) (m) The investment policies of the pool shall be governed by the laws governing investments by cities pursuant to section 475.66;

((M)) (n) Pools shall be subject to the standards of unfair methods of competition and unfair or deceptive acts or practices established in chapter 72A;

((N)) (o) Other requirements that are necessary to protect the solvency of the pool, the rights and privileges of claimants against the pool, and citizens of the members of the pool shall be included in the rules.

Sec. 157. Minnesota Statutes 1982, section 471.982, is amended by adding a subdivision to read:

Subd. 3. The rules adopted pursuant to subdivision 2 shall not apply to self insurance pools established and open for enrollment on a statewide basis by the Minnesota league of cities insurance trust, the Minnesota school boards association insurance trust or the Minnesota association of counties insurance trust.

Sec. 158. [CITY OF DULUTH; GROUP WORKER'S COMPENSATION SELF INSURANCE POOLS.]

Subdivision 1. [FORMATION OF POOLS WITH PRIVATE EMPLOYERS.] Notwithstanding any contrary provision of other law, ordinance, or charter, the city of Duluth may enter into a self insurance pool with private employers to self insure worker's compensation liability of pool members. Any pool formed pursuant to this section shall be operated under bylaws established by members of the pool. The initial bylaws and amendments to them shall not be effective unless approved by the city of Duluth and the commissioner of insurance. The bylaws shall address the following subjects:

(a) *Qualifications for group self insurer membership, including underwriting standards.*

(b) *The method of selecting the board of directors, including the directors' terms of office.*

(c) *The procedure for amending the bylaws or plan of operation.*

(d) *Investment of assets of the fund.*

(e) *Frequency and extent of loss control or safety engineering services provided to members.*

(f) *A schedule for payment and collection of premiums.*

(g) *Expulsion procedures, including expulsion for nonpayment of premiums and expulsion for excessive losses.*

(h) *Delineation of authority granted to the administrator.*

(i) *Delineation of authority granted to the service company.*

(j) *Basis for determining premium contributions by members including any experience rating program.*

(k) *Procedures for resolving disputes between members of the group, which shall not include submitting them to the commissioner.*

(l) *Basis for determining distribution of any surplus to the members, or assessing the membership to make up any deficit.*

(m) *Provisions for security to be furnished by private employers to insure assessments are paid in case of private employer insolvency.*

The members participating in the pool may establish a joint board with appropriate powers to manage the pool. Each member of the pool shall pay to the pool the amounts assessed against it pursuant to the bylaws. A member may withdraw only after it has reimbursed the pool for the amounts for which it is obligated under the terms of the agreement.

Subd. 2. [APPROVAL OF COMMISSIONER.] *A pool formed pursuant to this section shall not be effective or begin operation until it has been approved by the commissioner of insurance in the manner provided in Minnesota Statutes, section 471.982. Section 471.982 and any applicable rules adopted pursuant to it shall apply to any pool formed pursuant to this section. A pool formed pursuant to this section shall be a member of the workers' compensation reinsurance association and shall be bound by its plan of operation.*

Sec. 159. [APPROPRIATIONS; COMPLEMENT INCREASE.]

Subdivision 1. [DEPARTMENT OF LABOR AND INDUSTRY.] (a) There is appropriated to the department of labor and industry for the fiscal years ending June 30 of the year indicated from the general fund in the state treasury:

1984	1985
\$2,016,500	\$2,215,900

The approved complement of the department of labor and industry is increased by 90 of which 2 shall be federally funded and 19 shall be from the special compensation fund. The increased complement shall be allocated as follows:

- (1) *workers' compensation administration, 1;*
- (2) *records and compliance, 15;*
- (3) *rehabilitation service, 20;*
- (4) *legal services, 1;*
- (5) *settlement and docket, 3;*
- (6) *mediation and arbitration, 6;*
- (7) *research and education, 8;*
- (8) *information management service, 6;*
- (9) *state employee fund, 6;*
- (10) *general support, 8; and*
- (11) *special compensation fund, 19.*

The appropriation provided by this clause (a) is for the purpose of paying for the increased general fund complement and expenses related to their duties.

The authorized complement for the records and compliance section shall be reduced by four positions by June 30, 1985.

(b) There is appropriated to the department of labor and industry for the fiscal years ending June 30 of the year indicated from the general fund in the state treasury:

1984	1985
\$437,500	\$875,000

The appropriation provided by this clause (b) is for the purpose of paying the state's premium to the workers' compensation reinsurance association. The commissioner of finance shall transfer to the general fund from each federal fund, dedicated or special revenue fund, or revolving fund the proportion of premium costs attributable to that fund as calculated pursuant to section 4 of this article. The amounts necessary for this transfer are appropriated from the various funds in the state treasury from which salaries are paid.

(c) There is appropriated to the department of labor and industry for the fiscal years ending June 30 of the year indicated from the special compensation fund in the state treasury:

1984	1985
\$614,000	\$646,400

The funds appropriated by this clause (c) are to pay the expenses of the increased complement provided for the fund by clause (a) and expenses related to their duties and to reimburse the general fund for legal services performed on behalf of the fund by the attorney general.

Subd. 2. [OFFICE OF ADMINISTRATIVE HEARINGS.] There is appropriated to the office of administrative hearings for the fiscal years ending June 30 of the year indicated from the general fund in the state treasury:

1984	1985
\$85,400	\$86,300

The approved complement of the office of administrative hearings is increased by two. The appropriation provided by this subdivision is for the purpose of paying for the increased complement and expenses related to their duties.

Subd. 3. [INSURANCE DIVISION.] There is appropriated to the department of commerce for its insurance division for the fiscal years ending June 30 of the year indicated from the general fund in the state treasury:

1984	1985
\$230,800	\$229,100

The approved complement of the insurance division of the department of commerce is increased by seven. The appropriation provided by this subdivision is for the purpose of paying for the increased complement and expense related to their duties.

Subd. 4. [ATTORNEY GENERAL.] *There is appropriated to the office of the attorney general for the fiscal years ending June 30 of the year indicated from the general fund in the state treasury:*

1984	1985
\$201,500	\$204,900

The approved complement of the office of attorney general is increased by six. The appropriation provided by this subdivision is for the purpose of providing for the increased complement and expenses related to their duties.

Sec. 160. [REPEALER.]

Minnesota Statutes 1982, sections 79.51, subdivision 2; 79.63; 175.07; 175.101, subdivision 3; 175.36; 176.102, subdivision 12; 176.131, subdivisions 9, 10, 11, and 12; 176.152; and 176.262 are repealed.

Sec. 161. [SEVERABILITY.]

If any provision of this article is found to be unconstitutional and void, the remaining provisions of the article shall remain valid, unless the court finds the valid provisions of the article are so essentially and inseparably connected with, and so dependent upon, the void provisions that the court cannot presume the legislature would have enacted the remaining valid provisions without the void one; or unless the court finds the remaining valid provisions, standing alone, are incomplete and are incapable of being executed in accordance with the legislative intent.

Sec. 162. [EFFECTIVE DATE.]

Delete the title and insert:

"A bill for an act relating to labor; providing for comprehensive reform of all aspects of workers' compensation; ratifying

changes in the state employee bargaining unit composition schedule; ratifying state and University of Minnesota labor agreements, compensation plans, and plans for early retirement incentives; providing penalties; appropriating money; amending Minnesota Statutes 1982, sections 43A.23, by adding a subdivision; 79.071, subdivision 1; 79.211, subdivision 1; 79.251; 79.34, subdivisions 1, 2, and by adding a subdivision; 79.35; 79.37; 79.51, subdivisions 1 and 3; 79.52, by adding a subdivision; 175.006, subdivision 1; 175.007, subdivision 1; 175.08; 175.10; 175.101, subdivisions 1 and 2; 176.011, by adding subdivisions; 176.012; 176.021, subdivision 3; 176.041, subdivision 1; 176.061; 176.101, subdivisions 2, 3, 6, and by adding subdivisions; 176.102, subdivisions 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, and by adding subdivisions; 176.105, by adding a subdivision; 176.111, subdivisions 6, 7, 8, and 18, and by adding a subdivision; 176.121; 176.131, subdivisions 1, 1a, 2, 3, 4, 5, 6, 7, and 8; 176.132, subdivision 1, and by adding a subdivision; 176.134, subdivision 4; 176.135, subdivisions 1 and 3; 176.136; 176.155, subdivisions 3 and 5; 176.179; 176.182; 176.183, subdivisions 1, 1a, and by adding subdivisions; 176.185, by adding a subdivision; 176.191, by adding subdivisions; 176.195, subdivision 2, and by adding subdivisions; 176.221; 176.225, subdivisions 1, 2, and 3; 176.231, subdivisions 3, 4, 5, 9, and 10; 176.241, subdivisions 2 and 4; 176.281; 176.285; 176.321, subdivision 1; 176.331; 176.341; 176.361; 176.371; 176.421, subdivisions 3, 4, 6, and 7; 176.442; 176.461; 176.521, subdivisions 2, 2a, and 3; 176.561; 176.571, subdivision 6; 176.645, subdivision 1; 176.66, by adding subdivisions; 179.741, subdivision 1, and by adding a subdivision; 268.08, subdivision 3; and 471.982, subdivision 2, and by adding a subdivision; Laws 1981, chapter 346, sections 145 and 146; proposing new law coded in Minnesota Statutes, chapters 79 and 176; repealing Minnesota Statutes 1982, sections 79.51, subdivision 2; 79.63; 175.07; 175.101, subdivision 3; 175.36; 176.102, subdivision 12; 176.131, subdivisions 9, 10, 11, and 12; 176.152; and 176.262."

A roll call was requested and properly seconded.

Knickerbocker moved to amend the Shea amendment to H. F. No. 575.

Swanson requested a division of the Knickerbocker amendment to the Shea amendment.

A roll call was requested and properly seconded.

The first portion of the Knickerbocker amendment to the Shea amendment reads as follows:

Page 1, after line 24, insert:

"Sec. 3. Minnesota Statutes 1982, section 79.071, subdivision 1a, is amended to read:

Subd. 1a. If the legislature enacts amendments to the workers' compensation laws of this state which indicate a reduction in the schedule of rates, or the commissioner determines that the loss experience of Minnesota workers' compensation insurers indicates a change in the existing schedule of rates, the commissioner may, in his discretion, order a change in the schedule of rates *and the level of benefits* or order a hearing to determine whether and by what percentage the schedule of rates *or level of benefits* should be changed. A hearing held pursuant to this subdivision is not subject to the contested case proceeding requirements of sections 79.071 and 79.072, notwithstanding section 79.076.

Renumber the remaining sections

Amend the title as necessary

Correct internal references

The question was taken on the first portion of the Knickerbocker amendment to the Shea amendment, and the roll call was called.

Eken moved that those not voting be excused from voting. The motion prevailed.

There were 27 yeas and 102 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Fjoslien	Jennings	Pauly	Uphus
Bishop	Forsythe	Johnson	Piepho	Waltman
Dempsey	Frerichs	Knickerbocker	Rose	Zaffke
DenOuden	Halberg	McKasy	Schoenfeld	
Erickson	Heap	Olsen	Schreiber	
Findlay	Hokr	Onnen	Thiede	

Those who voted in the negative were:

Anderson, B.	Eken	Krueger	Omann	Segal
Anderson, C.	Elioff	Kvam	Osthoff	Shaver
Battaglia	Ellingson	Larsen	Otis	Shea
Beard	Evans	Levi	Peterson	Sherman
Begich	Graba	Long	Piper	Simoneau
Bennett	Greenfield	Ludeman	Price	Skoglund
Bergstrom	Gustafson	Mann	Quinn	Solberg
Berkelman	Haukoos	McDonald	Quist	Sparby
Blatz	Heinitz	McEachern	Redalen	Stadum
Brinkman	Himle	Metzen	Rice	Staten
Burger	Hoberg	Minne	Riveness	Sviggum
Carlson, D.	Hoffman	Munger	Rodosovich	Swanson
Carlson, L.	Jacobs	Murphy	Rodriguez, C.	Tomlinson
Clark, J.	Jensen	Nelson, D.	Rodriguez, F.	Tunheim
Clark, K.	Kahn	Nelson, K.	St. Onge	Valan
Clawson	Kalis	Neuenschwander	Sarna	Valento
Cohen	Kelly	Norton	Schafer	Vanasek
Coleman	Knuth	O'Connor	Scheid	Vellenga
Dimler	Kostohryz	Ogren	Seaberg	Voss

Welch
WelkerWelle
Wenzel

Wigley

Wynia

Speaker Sieben

The motion did not prevail and the first portion of the Knickerbocker amendment to the Shea amendment was not adopted.

The second portion of the Knickerbocker amendment to the Shea amendment reads as follows:

Page 1, after line 24, insert:

"Sec. 3. Minnesota Statutes 1982, section 79.071, subdivision 1a, is amended to read:

Subd. 1a. If the legislature enacts amendments to the workers' compensation laws of this state which indicate a reduction in the schedule of rates, or the commissioner determines that the loss experience of Minnesota workers' compensation insurers indicates a change in the existing schedule of rates, the commissioner may, in his discretion, order a change in the schedule of rates or order a hearing to determine whether and by what percentage the schedule of rates should be changed. A hearing held pursuant to this subdivision is not subject to the contested case proceeding requirements of sections 79.071 and 79.072, notwithstanding section 79.076. *The commissioner is prohibited from granting approval of any proposed increase in rates after May 1, 1983. Further, if the schedule of rates has not decreased by an average of at least 30 percent between May 1, 1983 and October 1, 1983, the commissioner is ordered to bring about a reduction in the schedule of rates that will equal an average of 30 percent by October 1, 1983.*"

Renumber the remaining sections

Amend the title as necessary

Correct internal references

The question was taken on the second portion of the Knickerbocker amendment to the Shea amendment and the roll was called.

Eken moved that those not voting be excused from voting. The motion prevailed.

There were 103 yeas and 25 nays as follows:

Those who voted in the affirmative were:

Anderson, R.
Battaglia
Beard
BegichBennett
Bergstrom
Bishop
BlatzCarlson, L.
Clark, J.
Clark, K.
ClawsonCohen
Coleman
Dempsey
DenOudenDimler
Eken
Elioff
Ellingson

Evans	Jennings	Munger	Rice	Staten
Findlay	Johnson	Murphy	Riveness	Swanson
Fjoslien	Kahn	Nelson, D.	Rodosovich	Thiede
Forsythe	Kalis	Nelson, K.	Rodriguez, C.	Tomlinson
Frerichs	Kelly	Norton	Rodriguez, F.	Tunheim
Graba	Knickerbocker	O'Connor	Rose	Valan
Greenfield	Knuth	Ogren	St. Onge	Vanasek
Gruenes	Kostohryz	Olsen	Sarna	Vellenga
Gustafson	Krueger	Omann	Scheid	Voss
Halberg	Kvam	Onnen	Schoenfeld	Waltman
Haukoos	Larsen	Osthoff	Schreiber	Welch
Heap	Long	Otis	Segal	Wenzel
Himle	Marsh	Pauly	Shea	Wynia
Hoberg	McEachern	Piepho	Simoneau	Zaffke
Hoffman	McKasy	Piper	Skoglund	Speaker Sieben
Hokr	Metzen	Price	Solberg	
Jacobs	Minne	Redalen	Sparby	

Those who voted in the negative were:

Anderson, B.	Carlson, D.	Mann	Schafer	Sviggun
Anderson, G.	Erickson	McDonald	Seaberg	Uphus
Berkelman	Heinitz	Neuenschwander	Shaver	Welker
Brinkman	Jensen	Peterson	Sherman	Welle
Burger	Levi	Quist	Stadum	Wigley

The motion prevailed and the second portion of the Knickerbocker amendment to the Shea amendment was adopted.

Kahn and Piepho moved to amend the Shea amendment, as amended, to H. F. No. 575, as follows:

Page 118, delete line 10, and insert:

“\$1,847,500

\$2,142,400”

The motion prevailed and the amendment to the amendment was adopted.

The question recurred on the Shea; Anderson, G., and Heinitz amendment, as amended, and the roll was called.

Eken moved that those not voting be excused from voting. The motion did not prevail.

Eken moved that those not voting be excused from voting. The motion prevailed.

There were 82 yeas and 52 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Bergstrom	Burger	Dempsey	Evans
Anderson, G.	Bishop	Carlson, D.	DenOuden	Findlay
Anderson, R.	Blatz	Clawson	Dimler	Fjoslien
Bennett	Brinkman	Cohen	Erickson	Forsythe

Frerichs	Jensen	Nelson, K.	Schafer	Uphus
Graba	Johnson	Neuenschwander	Schoenfeld	Valan
Gruenes	Kalis	Olsen	Schreiber	Valento
Gutknecht	Knickerbocker	Omamm	Seaberg	Vanasek
Halberg	Krueger	Onnen	Segal	Vellenga
Haukoos	Kvam	Pauly	Shaver	Wellman
Heap	Levi	Peterson	Shea	Welker
Heinitz	Ludeman	Piepho	Sherman	Welle
Himle	Mann	Quist	Sparby	Wigley
Hoberg	Marsh	Redalen	Stadum	Zaffke
Hoffman	McDonald	Reif	Sviggum	
Hokr	McEachern	Rodosovich	Thiede	
Jennings	McKasy	Rodriguez, C.	Tunheim	

Those who voted in the negative were:

Battaglia	Ellingson	Minne	Quinn	Staten
Beard	Greenfield	Munger	Rice	Swanson
Begich	Gustafson	Murphy	Riveness	Tomlinson
Berkelman	Jacobs	Nelson, D.	Rodriguez, F.	Voss
Brandl	Kahn	Norton	Rose	Welch
Carlson, L.	Kelly	O'Connor	St. Onge	Wenzel
Clark, J.	Knuth	Ogren	Sarna	Wynia
Clark, K.	Kostohryz	Osthoff	Scheid	Speaker Sieben
Coleman	Larsen	Otis	Simoneau	
Eken	Long	Piper	Skoglund	
Elioff	Metzen	Price	Solberg	

The motion prevailed and the amendment, as amended, was adopted.

Begich moved to amend H. F. No. 575, as amended, as follows:

Page 120, after line 29, insert:

“Sec. 162 [176A.01] [DEFINITIONS.]

Subdivision 1. [APPLICATION.] For the purposes of sections . . . to . . . , the terms defined in this section have the meanings given them.

Subd. 2. “Manager” means the manager of the state compensation insurance fund.

Subd. 3. “Fund” means the state compensation insurance fund.

Subd. 4. “Board” means the board of directors of the state compensation insurance fund.

Subd. 5. “Personal injury” or “injury” has the meaning given to it in section 176.011, subdivision 16.

Sec. 163. [176A.02] [CREATION; PURPOSE; ORGANIZATION OF THE FUND.]

Subdivision 1. [FUND CREATED.] The fund is created as a nonprofit independent public corporation for the purpose of insuring employers against liability for personal injuries for which their employees may be entitled to benefits under chapter 176.

Subd. 2. [BOARD OF DIRECTORS]. The governor shall appoint a board of directors consisting of seven members and the commissioner of labor and industry who shall be an ex officio member. Each director shall hold office until a successor is appointed and qualifies. Each member shall be a policyholder or an employee of a policyholder. A policyholder may designate a person to represent them on the board. Until the fund is operational and is issuing policies, the governor shall appoint any employer or employee to serve as a director. In addition to the commissioner, no more than one member of the board shall be a representative of a governmental entity. At least two members of the board shall represent private, for profit, enterprises. No member of the board may represent or be an employee of an insurance company.

The membership terms, compensation, removal of members, and filling of vacancies shall be as provided in section 15.0575.

The board shall annually elect a chairman from among its members and other officers it deems necessary for the performance of its duties. The requirement that each appointee of the governor be a policyholder or the employee of a policyholder shall not apply to the initial appointments of the governor prior to the subscription of the first policyholder to the state fund.

Subd. 3. [FUND MANAGEMENT.] The management and control of the fund is vested solely in the board.

Subd. 4. [POWERS AND DUTIES OF THE BOARD.] The board is vested with full power, authority, and jurisdiction over the fund. The board may perform all acts necessary or convenient in the exercise of any power, authority, or jurisdiction over the fund, either in the administration of the fund or in connection with the insurance business to be carried on by it under the provisions of this chapter, as fully and completely as the governing body of a private insurance carrier to fulfill the objectives and intent of this chapter.

Subd. 5. [MANAGER.] The fund is under the administrative control of the manager appointed by the board pursuant to section

Subd. 6. [PERSONAL LIABILITY, EXCLUDED.] The members of the board and officers or employees of the fund are not liable personally, either jointly or severally, for any debt or obligation created or incurred by the fund.

Sec. 164. [176A.03] [SPECIFIC POWERS OF THE FUND.]

Subdivision 1. [GENERAL.] For the purpose of carrying out its function the fund has the powers specified in this section.

Subd. 2. [INSURE WORKERS' COMPENSATION LIABILITY.] The fund may insure an employer against any workers' compensation claim arising out of and in the course of employment, as fully as any other insurer.

Subd. 3. [SELF-INSURED COVERAGE.] The fund may furnish advice, services, and employer liability insurance to any employer qualified as a self-insured employer.

Sec. 165. [176A.04] [GENERAL POWERS.]

Subdivision 1. For the purpose of exercising the specific powers granted in this chapter and effectuating the other purposes of this chapter, the fund:

- (a) may sue and be sued;*
- (b) may have a seal and alter it at will;*
- (c) may make, amend, and repeal rules relating to the conduct of the business of the fund;*
- (d) may enter into contracts relating to the administration of the fund;*
- (e) may rent, lease, buy, or sell property in its own name and may construct or repair buildings necessary to provide space for its operations;*
- (f) may declare a dividend when there is an excess of assets over liabilities, and necessary reserves;*
- (g) may pay medical expenses, rehabilitation expenses, compensation due claimants of insured employers, pay salaries, and pay administrative and other expenses;*
- (h) may hire personnel and set salaries and compensation; and*
- (i) may perform all other functions that are necessary or appropriate to administer the fund.*

Sec. 166. [176A.05] [MANAGER.]

Subdivision 1. [APPOINTMENT, QUALIFICATIONS.] The board shall appoint a manager of the fund who shall be in charge of the day-to-day operation of the fund. The manager shall have proven successful experience as an executive at the general management level. The manager shall be appointed for a term of six years and shall receive compensation as set by the board.

Subd. 2. [BOND.] Before entering on the duties of the office, the manager shall qualify by giving an official bond in an amount and with sureties approved by the board. The manager shall file the bond with the secretary of state. The premium for the bond shall be paid by the fund from the account established in section

Sec. 167. [176A.06] [MANAGER'S POWERS.]

Subdivision 1. [GENERAL.] Subject to the authority of the board and the provisions of this chapter the manager has the powers and duties prescribed in this section.

Subd. 2. [HEALTH PROVIDER CONTRACTS.] The manager may contract with physicians, surgeons, hospitals, other health care providers, qualified rehabilitation consultants, and approved vendors for medical, surgical, and rehabilitation evaluation and treatment and the care and nursing of injured persons entitled to benefits from the fund.

Subd. 3. [SAFETY INSPECTION.] The manager may make safety inspections of risks and furnish advisory services to employers on safety and health measures.

Subd. 4. [DISBURSEMENT OF FUNDS.] The manager may act for the fund in collecting and disbursing money necessary to administer the fund and conduct the business of the fund.

Subd. 5. [ABSTRACT SUMMARY.] The manager shall have an abstract summary of an audit or survey conducted pursuant to section . . . , subdivisions 1 to 3, prepared for public use.

Subd. 6. [GENERAL AUTHORITY.] The manager may perform all acts necessary or convenient in the exercise of any power, authority, or jurisdiction over the fund, either in the administration of the fund or in connection with the insurance business to be carried on by the fund under this chapter, including the establishment of premium rates.

Sec. . . . [176A.07] [AUDITS AND EXAMINATIONS.]

Subdivision 1. [STATE AUDITOR REPORT.] A financial audit of the books and records of the fund shall be conducted each year by the state auditor.

Subd. 2. [ACTUARIAL SURVEY.] An actuarial survey of the fund shall be conducted annually by an independent certified accountant selected by the manager.

Subd. 3. [COMMISSIONER OF INSURANCE EXAMINATION.] The commissioner of insurance shall examine the financial condition and conduct an actuarial survey of the fund at least once every four years.

Sec. 168. [176A.08] [ACCOUNT.]

Subdivision 1. [STATE COMPENSATION ACCOUNT.] There is created and established under the jurisdiction and control of the fund a revolving account known as the "state compensation account."

The manager shall deliver all money collected or received under this chapter to the account.

The money in the account may be used by the fund in carrying out its purpose under this chapter.

Subd. 2. [PROPERTY OF FUND.] All premiums and other money paid to the fund, all property and securities acquired through the use of money belonging to the fund, and all interest and dividends earned upon money belonging to the fund and deposited or invested by the fund, are the sole property of the fund and shall be used exclusively for the operation and obligations of the fund. The money of the fund is not state money. The property of the fund is not state property.

Subd. 3. [NO STATE APPROPRIATION.] The fund shall not receive any state appropriation at any time other than as provided by section

Sec. 169. [176A.09] [EXEMPTION FROM AND APPLICABILITY OF CERTAIN LAWS.]

The fund shall not be considered a state agency for any purpose including, but not limited to, chapters 13, 14, 15, 15A, 43. However, the fund shall be subject to sections 179.61 to 179.77. The insurance operations of the fund are subject to all of the provisions of chapters 60A and 60B. The commissioner of insurance has the same powers with respect to the board as the commissioner has with respect to a private workers' compensation insurer under chapters 60A and 60B. The board is considered an insurer for the purposes of chapters 79 and 176. The fund is subject to the same tax liability as a mutual insurance company in this state pursuant to section 60A.15, subdivision 2.

Sec. 170. [176A.10] [ANNUAL REPORT.]

The manager shall submit an annual report pursuant to section 3.195 to the governor and legislature indicating the business done by the fund during the previous year and containing a statement of the resources and liabilities of the fund.

Sec. 171. [176A.11] [APPROPRIATION.]

There is appropriated from the general fund to the state compensation insurance fund a sum of \$3,000,000 to be available until expended. This amount plus interest at eight percent a year shall be amortized over a ten-year period and shall be repaid by the fund to the general fund in equal installments at the end of each fiscal year.

Sec. 172. [IMPLEMENTATION.]

The members of the board of directors shall be appointed no later than September 1, 1983. The board shall act promptly to hire a manager, hire necessary employees, and acquire necessary facilities and supplies to begin operation. The fund shall begin providing workers' compensation insurance coverage when the board determines that the fund is able to do so and all requirements under state law have been met.

Sec. 173. [REPORT TO THE LEGISLATURE AND GOVERNOR.]

The commissioner of labor and industry shall, no later than March 1, 1986, report to the legislature and governor the operations of the fund up to that date. The report shall include but not be limited to:

(1) the volume of premiums insured through the state fund and its share of the state workers' compensation insurance market;

(2) the percent division of premium dollars among various types of benefit payments and administrative costs for policies and claims under the state fund;

(3) the average rate of return enjoyed by the state fund on reserves set aside by the fund;

(4) recommendations concerning desirable changes in the state fund to promote its prompt and efficient administration of policies and claims;

(5) a recommendation to the legislature and governor regarding the continued operation of the fund; and

(6) any other information the commissioner deems appropriate."

Amend the title as follows:

Page 121, line 36, after the semicolon insert "creating a competitive state fund for workers' compensation insurance; proposing new law coded in Minnesota Statutes, chapter 176A;"

A roll call was requested and properly seconded.

POINT OF ORDER

Jennings raised a point of order pursuant to section 401, paragraph 4, of "Mason's Manual of Legislative Procedure" that the amendment was out of order. The Speaker ruled the point of order not well taken and the amendment in order.

Metzen was excused for the remainder of today's session.

The question recurred on the Begich amendment and the roll was called.

Eken moved that those not voting be excused from voting. The motion prevailed.

There were 56 yeas and 75 nays as follows:

Those who voted in the affirmative were:

Battaglia	Elioff	Minne	Rice	Swanson
Beard	Ellingson	Munger	Riveness	Tomlinson
Begich	Greenfield	Murphy	Rodriguez, F.	Vellenga
Bergstrom	Gustafson	Nelson, D.	St. Onge	Voss
Berkelman	Jacobs	Norton	Sarna	Welch
Brandl	Kahn	O'Connor	Scheid	Wenzel
Carlson, L.	Kelly	Ogren	Segal	Wynia
Clark, J.	Knuth	Osthoff	Simonéau	Speaker Sieben
Clark, K.	Kostohryz	Otis	Skoglund	
Clawson	Larsen	Piper	Solberg	
Coleman	Long	Price	Sparby	
Eken	Mann	Quinn	Staten	

Those who voted in the negative were:

Anderson, B.	DenOuden	Halberg	Kalis	Omann
Anderson, G.	Dimler	Haukoos	Knickerbocker	Onnen
Anderson, R.	Erickson	Heap	Krueger	Pauly
Bennett	Evans	Heinitz	Kvam	Peterson
Bishop	Findlay	Himle	Levi	Piepho
Blatz	Fjoslien	Hoberg	Ludeman	Quist
Brinkman	Forsythe	Hoffman	Marsh	Redalen
Burger	Frerichs	Hokr	McDonald	Reif
Carlson, D.	Graba	Jennings	McKasy	Rodosovich
Cohen	Gruenes	Jensen	Neuenschwander	Rodriguez, C.
Dempsey	Gutknecht	Johnson	Olsen	Rose

Schafer	Shaver	Swiggum	Valan	Welker
Schoenfeld	Shea	Thiede	Vaiento	Welle
Schreiber	Sherman	Tunheim	Vanasek	Wigley
Seaberg	Stadum	Uphus	Waltman	Zaffke

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

H. F. No. 575, A bill for an act relating to labor; providing for comprehensive reform of all aspects of workers' compensation; ratifying changes in the state employee bargaining unit composition schedule; ratifying state and University of Minnesota labor agreements, compensation plans, and plans for early retirement incentives; providing penalties; appropriating money; amending Minnesota Statutes 1982, sections 43A.23, by adding a subdivision; 79.071, subdivisions 1 and 1a; 79.211, subdivision 1; 79.251; 79.34, subdivisions 1, 2, and by adding a subdivision; 79.35; 79.37; 79.51, subdivisions 1 and 3; 79.52, by adding a subdivision; 175.006, subdivision 1; 175.007, subdivision 1; 175.08; 175.10; 175.101, subdivisions 1 and 2; 176.011, by adding subdivisions; 176.012; 176.021, subdivision 3; 176.041, subdivision 1; 176.061; 176.101, subdivisions 2, 3, 6, and by adding subdivisions; 176.102, subdivisions 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, and by adding subdivisions; 176.105, by adding a subdivision; 176.111, subdivisions 6, 7, 8, and 18, and by adding a subdivision; 176.121; 176.131, subdivisions 1, 1a, 2, 3, 4, 5, 6, 7, and 8; 176.132, subdivision 1, and by adding a subdivision; 176.134, subdivision 4; 176.135, subdivisions 1 and 3; 176.136; 176.155, subdivisions 3 and 5; 176.179; 176.182; 176.183, subdivisions 1, 1a, and by adding subdivisions; 176.185, by adding a subdivision; 176.191, by adding subdivisions; 176.195, subdivision 2, and by adding subdivisions; 176.221; 176.225, subdivisions 1, 2, and 3; 176.231, subdivisions 3, 4, 5, 9, and 10; 176.241, subdivisions 2 and 4; 176.281; 176.285; 176.321, subdivision 1; 176.331; 176.341; 176.361; 176.371; 176.421, subdivisions 3, 4, 6, and 7; 176.442; 176.461; 176.521, subdivisions 2, 2a, and 3; 176.561; 176.571, subdivision 6; 176.645, subdivision 1; 176.66, by adding subdivisions; 179.741, subdivision 1, and by adding a subdivision; 268.08, subdivision 3; and 471.982, subdivision 2, and by adding a subdivision; Laws 1981, chapter 346, sections 145 and 146; proposing new law coded in Minnesota Statutes, chapters 79 and 176; repealing Minnesota Statutes 1982, sections 79.51, subdivision 2; 79.63; 175.07; 175.101, subdivision 3; 175.36; 176.102, subdivision 12; 176.131, subdivisions 9, 10, 11, and 12; 176.152; and 176.262.

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.

Eken moved that those not voting be excused from voting. The motion did not prevail.

Vanasek moved that those not voting be excused from voting. The motion prevailed.

There were 85 yeas and 47 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Fjoslien	Kalis	Omann	Shea
Anderson, G.	Forsythe	Knickerbocker	Onnen	Sherman
Anderson, R.	Frerichs	Knuth	Pauly	Sparby
Bennett	Graba	Krueger	Peterson	Stadum
Bishop	Gruenes	Kvam	Piepho	Sviggum
Blatz	Cutknecht	Levi	Quist	Thiede
Brinkman	Halberg	Long	Redalen	Tunheim
Burger	Haukoos	Ludeman	Reif	Uphus
Carlson, D.	Heap	Mann	Rodosovich	Valan
Clawson	Heinitz	Marsh	Rodriguez, C.	Valento
Cohen	Himle	McDonald	Rose	Vanasek
Dempsey	Hoberg	McEachern	Schafer	Vellenga
DenOuden	Hoffman	McKasy	Schoenfeld	Waltman
Dimler	Hokr	Nelson, D.	Schreiber	Welker
Erickson	Jennings	Nelson, K.	Seaberg	Welle
Evans	Jensen	Neuenschwander	Segal	Wigley
Findlay	Johnson	Olsen	Shaver	Zaffke

Those who voted in the negative were:

Battaglia	Elioff	Munger	Rice	Swanson
Beard	Ellingson	Murphy	Riveness	Tomlinson
Begich	Greenfield	Norton	Rodriguez, F.	Voss
Berkelman	Gustafson	O'Connor	St. Onge	Welch
Brandl	Jacobs	Ogren	Sarna	Wenzel
Carlson, L.	Kahn	Osthoff	Scheid	Wynia
Clark, J.	Kelly	Otis	Simoneau	Speaker Sieben
Clark, K.	Kostohryz	Piper	Skoglund	
Coleman	Larsen	Price	Solberg	
Eken	Minne	Quinn	Staten	

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

O'Connor was excused for the remainder of today's session.

The following conference committee report was received:

CONFERENCE COMMITTEE REPORT ON H. F. NO. 76

A bill for an act relating to the environment; establishing an environmental response, compensation and compliance fund to pay for removal and remedial action associated with certain hazardous substances released into the environment and for other purposes; providing for liability for cleanup costs, personal injury, economic loss, and damage to natural resources resulting from releases of hazardous substances; imposing taxes, fees, and penalties; providing for injunctive relief; appropriating money; amending Minnesota Statutes 1982, sections 115A.24, subdivision 1; 466.01, by adding a subdivision; and 466.04, subdivision 1; proposing new law coded in Minnesota Statutes, chapter 116; proposing new law coded as Minnesota Statutes,

chapter 115B; repealing Minnesota Statutes 1982, section 115A.-24, subdivision 2.

May 2, 1983

The Honorable Harry A. Sieben, Jr.
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

We, the undersigned conferees for H. F. No. 76, 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. 76 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. [115B.01] [CITATION.]

Sections 1 to 24 may be cited as the Environmental Response and Liability Act.

Sec. 2. [115B.02] [DEFINITIONS.]

Subdivision 1. [APPLICATION.] For the purposes of sections 1 to 20, the following terms have the meanings given them.

Subd. 2. [ACT OF GOD.] "Act of God" means an unanticipated grave natural disaster or other natural phenomenon of an exceptional, inevitable, and irresistible character, the effects of which could not have been prevented or avoided by the exercise of due care or foresight.

Subd. 3. [AGENCY.] "Agency" means the pollution control agency.

Subd. 4. [DIRECTOR.] "Director" means the director of the pollution control agency.

Subd. 5. [FACILITY.] "Facility" means:

(a) Any building, structure, installation, equipment, pipe or pipeline (including any pipe into a sewer or publicly owned treatment works), well, pit, pond, lagoon, impoundment, ditch, landfill, storage container, motor vehicle, rolling stock, or aircraft;

(b) Any watercraft of any description, or other artificial contrivance used or capable of being used as a means of transportation on water; or

(c) Any site or area where a hazardous substance, or a pollutant or contaminant, has been deposited, stored, disposed of, or placed, or otherwise come to be located.

"Facility" does not include any consumer product in consumer use.

Subd. 6. [FEDERAL SUPERFUND ACT.] "Federal Superfund Act" means the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. Section 9601 et seq.

Subd. 7. [FUND.] "Fund" means the environmental response, compensation and compliance fund established under section 20.

Subd. 8. [HAZARDOUS SUBSTANCE.] "Hazardous substance" means:

(a) Any commercial chemical designated pursuant to the Federal Water Pollution Control Act, under 33 U.S.C. Section 1321(b)(2)(A);

(b) Any hazardous air pollutant listed pursuant to the Clean Air Act, under 42 U.S.C. Section 7412; and

(c) Any hazardous waste.

"Hazardous substance" does not include natural gas, natural gas liquids, liquified natural gas, synthetic gas usable for fuel, or mixtures of such synthetic gas and natural gas, nor does it include petroleum, including crude oil or any fraction thereof which is not otherwise a hazardous waste.

Subd. 9. [HAZARDOUS WASTE.] "Hazardous waste" means:

(a) Any hazardous waste as defined in section 116.06, subdivision 13, and any substance identified as a hazardous waste pursuant to rules adopted by the agency under section 116.07; and

(b) Any hazardous waste as defined in the Resource Conservation and Recovery Act, under 42 U.S.C. Section 6903, which is listed or has the characteristics identified under 42 U.S.C. Section 6921, not including any hazardous waste the regulation of which has been suspended by act of Congress.

Subd. 10. [NATURAL RESOURCES.] "*Natural resources*" has the meaning given it in section 116B.02, subdivision 4.

Subd. 11. [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; provided that:

(1) A lessor of real property under a lease which in substance is a financing device and is treated as such under the United States Internal Revenue Code, common law, or statute, is not an owner of the real property;

(2) A public utility holding a public utility easement is an owner of the real property described in the easement only for the purpose of carrying out the specific use for which the easement was granted; and

(3) Any person holding a remainder or other nonpossessory interest or estate in real property is an owner of the real property beginning when that person's interest or estate in the real property vests in possession or that person obtains the unconditioned right to possession, or to control the use of, the real property.

Subd. 12. [PERSON.] "*Person*" means any individual, partnership, association, public or private corporation or other entity including the United States government, any interstate body, the state and any agency, department or political subdivision of the state.

Subd. 13. [POLLUTANT OR CONTAMINANT.] "*Pollutant or contaminant*" means any element, substance, compound, mixture, or agent, other than a hazardous substance, which after release from a facility and upon exposure of, ingestion, inhalation, or assimilation into any organism, either directly from the environment or indirectly by ingestion through food chains, will or may reasonably be anticipated to cause death, disease, behavioral abnormalities, cancer, genetic mutation, physiological malfunctions (including malfunctions in reproduction) or physical deformations, in the organisms or their offspring.

"*Pollutant or contaminant*" does not include natural gas, natural gas liquids, liquefied natural gas, synthetic gas usable for fuel, or mixtures of such synthetic gas and natural gas.

Subd. 14. [PUBLIC UTILITY EASEMENT.] "*Public utility easement*" means an easement used for the purposes of transmission, distribution, or furnishing, at wholesale or retail, natural or manufactured gas, or electric or telephone service,

by a public utility as defined in section 216B.02, subdivision 4, a cooperative electric association organized under the provisions of chapter 308, a telephone company as defined in section 237.01, subdivisions 2 and 3, or a municipality producing or furnishing gas, electric, or telephone service.

Subd. 15. [RELEASE.] "Release" means any spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, or disposing into the environment which occurred at a point in time or which continues to occur.

"Release" does not include:

(a) Emissions from the engine exhaust of a motor vehicle, rolling stock, aircraft, watercraft, or pipeline pumping station engine;

(b) Release of source, byproduct, or special nuclear material from a nuclear incident, as those terms are defined in the Atomic Energy Act of 1954, under 42 U.S.C. Section 2014, if the release is subject to requirements with respect to financial protection established by the federal nuclear regulatory commission under 42 U.S.C. Section 2210;

(c) Release of source, byproduct or special nuclear material from any processing site designated pursuant to the Uranium Mill Tailings Radiation Control Act of 1978, under 42 U.S.C. Section 7912(a)(1) or 7942(a); or

(d) Any release resulting from the application of fertilizer or agricultural or silvicultural chemicals, or disposal of emptied pesticide containers or residues from a pesticide as defined in section 18A.21, subdivision 25.

Subd. 16. [REMEDY OR REMEDIAL ACTION.] "Remedy" or "remedial action" means those actions consistent with permanent remedy taken instead of or in addition to removal actions in the event of a release or threatened release of a hazardous substance, or a pollutant or contaminant, into the environment, to prevent, minimize or eliminate the release in order to protect the public health or welfare or the environment.

"Remedy" or "remedial action" includes, but is not limited to:

(a) Actions at the location of the release such as storage, confinement, perimeter protection using dikes, trenches, or ditches, clay cover, neutralization, cleanup of released hazardous substances, pollutants or contaminants, or contaminated materials, recycling or reuse, diversion, destruction, segregation of reactive wastes, dredging or excavations, repair or replacement of leaking containers, collection of leachate and runoff,

onsite treatment or incineration, provision of alternative water supplies, and any monitoring and maintenance reasonably required to assure that these actions protect the public health and welfare and the environment; and

(b) The costs of permanent relocation of residents and businesses and community facilities when the agency determines that, alone or in combination with other measures, relocation is more cost effective than and environmentally preferable to the transportation, storage, treatment, destruction, or secure disposition offsite of hazardous substances, or pollutants or contaminants, or may otherwise be necessary to protect the public health or welfare.

"Remedy" or "remedial action" does not include offsite transport of hazardous substances, pollutants or contaminants, or contaminated materials or their storage, treatment, destruction, or secure disposition offsite unless the agency determines that these actions:

(1) Are more cost effective than other remedial actions;

(2) Will create new capacity to manage hazardous substances in addition to those located at the affected facility, in compliance with section 116.07 and subtitle C of the Solid Waste Disposal Act, 42 U.S.C. Section 6921 et seq.; or

(3) Are necessary to protect the public health or welfare or the environment from a present or potential risk which may be created by further exposure to the continued presence of the hazardous substances, pollutants or contaminants, or contaminated materials.

Subd. 17. [REMOVE OR REMOVAL.] "Remove" or "removal" means:

(a) The cleanup or removal of a released hazardous substance, or a pollutant or contaminant, from the environment;

(b) Necessary actions taken in the event of a threatened release of a hazardous substance, or a pollutant or contaminant, into the environment;

(c) Actions necessary to monitor, test, analyze, and evaluate a release or threatened release of a hazardous substance, or a pollutant or contaminant;

(d) Disposal or processing of removed material; or

(e) Other actions necessary to prevent, minimize, or mitigate damage to the public health or welfare or the environment, which may otherwise result from a release or threatened release.

"Remove" or "removal" includes, but is not limited to, security fencing or other measures to limit access, provision of alternative water supplies, temporary evacuation and housing of threatened individuals not otherwise provided for, action taken pursuant to the Federal Superfund Act, under 42 U.S.C. Section 9604(b), and any emergency assistance which may be provided under the Disaster Relief Act of 1974, 42 U.S.C. Section 5121 et seq.

Subd. 18. [RESPOND OR RESPONSE.] "Respond" or "response" means remove, removal, remedy, and remedial action.

Subd. 19. [WATER.] "Water" has the meaning given to the term "waters of the state" in section 115.01, subdivision 9.

Sec. 3. [115B.03] [RESPONSIBLE PERSON.]

Subdivision 1. [GENERAL RULE.] For the purposes of sections 1 to 20, and except as provided in subdivisions 2 and 3, a person is responsible for a release or threatened release of a hazardous substance, or a pollutant or contaminant, from a facility if the person:

(a) Owned or operated the facility: (1) when the hazardous substance, or pollutant or contaminant, was placed or came to be located in or on the facility; (2) when the hazardous substance, or pollutant or contaminant, was located in or on the facility but before the release; or (3) during the time of the release or threatened release;

(b) Owned or possessed the hazardous substance, or pollutant or contaminant, and arranged, by contract, agreement or otherwise, for the disposal, treatment or transport for disposal or treatment of the hazardous substance, or pollutant or contaminant; or

(c) Knew or reasonably should have known that waste he accepted for transport to a disposal or treatment facility contained a hazardous substance, or pollutant or contaminant, and either selected the facility to which it was transported or disposed of it in a manner contrary to law.

Subd. 2. [EMPLOYEES AND EMPLOYERS.] When a person who is responsible for a release or threatened release as provided in subdivision 1 is an employee who is acting in the scope of his employment:

(a) The employee is subject to liability under section 4 or 5 only if his conduct with respect to the hazardous substance was negligent under circumstances in which he knew that the substance was hazardous and that his conduct, if negligent, could result in serious harm.

(b) *His employer shall be considered a person responsible for the release or threatened release and is subject to liability under section 4 or 5 regardless of the degree of care exercised by the employee.*

Subd. 3. [OWNER OF REAL PROPERTY.] An owner of real property is not a person responsible for the release or threatened release of a hazardous substance from a facility in or on the property unless that person:

(a) *was engaged in the business of generating, transporting, storing, treating, or disposing of a hazardous substance at the facility or disposing of waste at the facility, or knowingly permitted others to engage in such a business at the facility;*

(b) *knowingly permitted any person to make regular use of the facility for disposal of waste;*

(c) *knowingly permitted any person to use the facility for disposal of a hazardous substance;*

(d) *knew or reasonably should have known that a hazardous substance was located in or on the facility at the time right, title, or interest in the property was first acquired by the person and engaged in conduct by which he associated himself with the release; or*

(e) *took action which significantly contributed to the release after he knew or reasonably should have known that a hazardous substance was located in or on the facility.*

For the purpose of clause (d), a written warranty, representation, or undertaking, which is set forth in an instrument conveying any right, title or interest in the real property and which is executed by the person conveying the right, title or interest, or which is set forth in any memorandum of any such instrument executed for the purpose of recording, is admissible as evidence of whether the person acquiring any right, title, or interest in the real property knew or reasonably should have known that a hazardous substance was located in or on the facility.

Any liability which accrues to an owner of real property under sections 1 to 15 does not accrue to any other person who is not an owner of the real property merely because the other person holds some right, title, or interest in the real property.

An owner of real property on which a public utility easement is located is not a responsible person with respect to any release caused by any act or omission of the public utility which holds the easement in carrying out the specific use for which the easement was granted.

Sec. 4. [115B.04] [LIABILITY FOR RESPONSE COSTS AND NATURAL RESOURCES; LIMITATIONS AND DEFENSES.]

Subdivision 1. [LIABILITY.] Except as otherwise provided in subdivisions 2 to 12, and notwithstanding any other provision or rule of law, any person who is responsible for a release or threatened release of a hazardous substance from a facility is strictly liable, jointly and severally, for the following response costs and damages which result from the release or threatened release or to which the release or threatened release significantly contributes:

(a) All reasonable and necessary response costs incurred by the state, a political subdivision of the state or the United States;

(b) All reasonable and necessary removal costs incurred by any person; and

(c) All damages for any injury to, destruction of, or loss of natural resources, including the reasonable costs of assessing such injury, destruction, or loss.

Subd. 2. [LIABILITY FOR POLLUTANT OR CONTAMINANT EXCLUDED.] There is no liability under this section for response costs or damages which result from the release of a pollutant or contaminant.

Subd. 3. [LIABILITY FOR A THREATENED RELEASE.] Liability under this section for a threatened release of a hazardous substance is limited to the recovery by the agency of reasonable and necessary response costs as provided in section 17, subdivision 6.

Subd. 4. [LIABILITY OF POLITICAL SUBDIVISIONS.] The liability of a political subdivision under this section is subject to the limits imposed under section 466.04, subdivision 1.

Subd. 5. [TRANSPORTATION OF HOUSEHOLD REFUSE.] A person who accepts only household refuse for transport to a treatment or disposal facility is not liable under this section for the release or threatened release of any hazardous substance unless he knew or reasonably should have known that the hazardous substance was present in the refuse. For the purpose of this subdivision, household refuse means garbage, trash, or septic tank sanitary wastes generated by single or multiple residences, hotels, motels, restaurants and other similar facilities.

Subd. 6. [DEFENSE TO CERTAIN CLAIMS BY POLITICAL SUBDIVISIONS AND PRIVATE PERSONS.] It is a

defense to a claim by a political subdivision or private person for recovery of the costs of its response actions under this section that the hazardous substance released from the facility was placed or came to be located in or on the facility before April 1, 1982, and that the response actions of the political subdivision or private person were not authorized by the agency as provided in section 17, subdivision 12. This defense applies only to response costs incurred on or after July 1, 1983.

Subd. 7. [DEFENSE FOR INTERVENING ACTS.] *It is a defense to liability under this section that the release or threatened release was caused solely by:*

- (a) An act of God;*
- (b) An act of war;*
- (c) An act of vandalism or sabotage; or*
- (d) An act or omission of a third party or the plaintiff.*

“Third party” for the purposes of clause (d) does not include an employee or agent of the defendant, or a person in the chain of responsibility for the generation, transportation, storage, treatment, or disposal of the hazardous substance.

The defenses provided in clauses (c) and (d) apply only if the defendant establishes that he exercised due care with respect to the hazardous substance concerned, taking into consideration the characteristics of the hazardous substance in light of all relevant facts and circumstances which he knew or should have known, and that he took precautions against foreseeable acts or omissions and the consequences that could foreseeably result from those acts or omissions.

Subd. 8. [INTERVENING ACTS OF PUBLIC AGENCIES.] *When the agency or the federal environmental protection agency assumes control over any release or threatened release of a hazardous substance by taking removal actions at the site of the release, the persons responsible for the release are not liable under sections 1 to 15 for any subsequent release of the hazardous substance from another facility to which it has been removed.*

Subd. 9. [RELEASES SUBJECT TO CERTAIN PERMITS OR STANDARDS; FEDERAL POST-CLOSURE FUND.] *It is a defense to liability under this section that:*

- (a) The release or threatened release was from a hazardous waste facility as defined under section 115A.03, for which a permit had been issued pursuant to section 116.07 or pursuant to subtitle C of the Solid Waste Disposal Act, 42 U.S.C. Section*

6921 et seq., the hazardous substance was specifically identified in the permit, and the release was within the limits allowed in the permit for release of that substance;

(b) The hazardous substance released was specifically identified in a federal or state permit and the release is within the limits allowed in the permit;

(c) The release resulted from circumstances identified and reviewed and made a part of the public record of a federal or state agency with respect to a permit issued or modified under federal or state law, and the release conformed with the permit;

(d) The release was any part of an emission or discharge into the air or water and the emission or discharge was subject to a federal or state permit and was in compliance with control rules or regulations adopted pursuant to state or federal law;

(e) The release was the introduction of any hazardous substance into a publicly owned treatment works and the substance was specified in, and is in compliance with, applicable pretreatment standards specified for that substance under state and federal law; or

(f) Liability has been assumed by the federal post-closure liability fund under 42 U.S.C. Section 9607(k).

Subd. 10. [NATURAL RESOURCES.] It is a defense to liability under this section, for any injury to, destruction of, or loss of natural resources that:

(a) The natural resources were specifically identified as an irreversible and irretrievable commitment of natural resources in an approved final state or federal environmental impact statement, or other comparable approved final environmental analysis for a project or facility which was the subject of a governmental permit or license; and

(b) The project or facility was being operated within the terms of its permit or license.

Subd. 11. [RENDERING ASSISTANCE IN RESPONSE ACTIONS.] It is a defense to liability under this section that the response costs or damages resulted from acts taken or omitted in preparation for, or in the course of rendering care, assistance, or advice to the director or agency pursuant to section 17 or in accordance with the national hazardous substance response plan pursuant to the Federal Superfund Act, under 42 U.S.C. Section 9605, or at the direction of an on-scene coordinator appointed under that plan, with respect to any release or threatened release of a hazardous substance.

Subd. 12. [BURDEN OF PROOF FOR DEFENSES.] Any person claiming a defense provided in subdivisions 6 to 11 has the burden to prove all elements of the defense by a preponderance of the evidence.

Sec. 5. [115B.05] [LIABILITY FOR ECONOMIC LOSS, DEATH, PERSONAL INJURY AND DISEASE; LIMITATIONS AND DEFENSES.]

Subdivision 1. [LIABILITY.] Except as otherwise provided in subdivisions 2 to 10, and notwithstanding any other provision or rule of law, any person who is responsible for the release of a hazardous substance from a facility is strictly liable, jointly and severally, for the following damages which result from the release or to which the release significantly contributes:

(a) *All damages for actual economic loss including:*

(1) *Any injury to, destruction of, or loss of any real or personal property, including relocation costs;*

(2) *Any loss of use of real or personal property;*

(3) *Any loss of past or future income or profits resulting from injury to, destruction of, or loss of real or personal property without regard to the ownership of the property; and*

(b) *All damages for death, personal injury, or disease including:*

(1) *Any medical expenses, rehabilitation costs or burial expenses;*

(2) *Any loss of past or future income, or loss of earning capacity; and*

(3) *Damages for pain and suffering, including physical impairment.*

Subd. 2. [LIABILITY FOR POLLUTANT OR CONTAMINANT EXCLUDED.] There is no liability under this section for damages which result from the release of a pollutant or contaminant.

Subd. 3. [CERTAIN EMPLOYEE CLAIMS NOT COVERED.] Except for a third party who is subject to liability under section 176.061, subdivision 5, there is no liability under this section for the death, personal injury or disease of an employee which is compensable under chapter 176 as an injury or disease arising out of and in the course of employment.

Subd. 4. [LIABILITY LIMITATIONS.] The liability of a political subdivision under this section is subject to the limits imposed under section 466.04, subdivision 1.

Subd. 5. [TRANSPORTATION OF HOUSEHOLD REFUSE.] A person who accepts only household refuse for transport to a treatment or disposal facility is not liable under this section for the release or threatened release of any hazardous substance unless he knew or reasonably should have known that the hazardous substance was present in the refuse. For the purpose of this subdivision, household refuse means garbage, trash, or septic tank sanitary wastes generated by single or multiple residences, hotels, motels, restaurants and other similar facilities.

Subd. 6. [DEFENSE FOR INTERVENING ACTS.] It is a defense to liability under this section that the release or threatened release was caused solely by:

- (a) An act of God;*
- (b) An act of war;*
- (c) An act of vandalism or sabotage; or*
- (d) An act or omission of a third party or the plaintiff.*

"Third party" for the purposes of clause (d) does not include an employee or agent of the defendant, or a person in the chain of responsibility for the generation, transportation, storage, treatment, or disposal of the hazardous substance.

The defenses provided in clauses (c) and (d) apply only if the defendant establishes that he exercised due care with respect to the hazardous substance concerned, taking into consideration the characteristics of the hazardous substance in light of all relevant facts and circumstances which he knew or should have known, and that he took precautions against foreseeable acts or omissions and the consequences that could foreseeably result from those acts or omissions.

Subd. 7. [INTERVENING ACTS OF PUBLIC AGENCIES.] When the agency or the federal environmental protection agency assumes control over any release or threatened release of a hazardous substance by taking removal actions at the site of the release, the persons responsible for the release are not liable under sections 1 to 15 for any subsequent release of the hazardous substance from another facility to which it has been removed.

Subd. 8. [RELEASES SUBJECT TO CERTAIN PERMITS OR STANDARDS; FEDERAL POST-CLOSURE FUND.] It is a defense to liability under this section that:

(a) *The release or threatened release was from a hazardous waste facility as defined under section 115A.03, for which a permit had been issued pursuant to section 116.07 or pursuant to subtitle C of the Solid Waste Disposal Act, 42 U.S.C. Section 6921 et seq., the hazardous substance was specifically identified in the permit, and the release was within the limits allowed in the permit for release of that substance;*

(b) *The hazardous substance released was specifically identified in a federal or state permit and the release is within the limits allowed in the permit;*

(c) *The release resulted from circumstances identified and reviewed and made a part of the public record of a federal or state agency with respect to a permit issued or modified under federal or state law, and the release conformed with the permit;*

(d) *The release was any part of an emission or discharge into the air or water and the emission or discharge was subject to a federal or state permit and was in compliance with control rules or regulations adopted pursuant to state or federal law;*

(e) *The release was the introduction of any hazardous substance into a publicly owned treatment works and the substance was specified in, and is in compliance with, applicable pretreatment standards specified for that substance under state and federal law; or*

(f) *Liability has been assumed by the federal post-closure liability fund under 42 U.S.C. Section 9607(k).*

Subd. 9. [RENDERING ASSISTANCE IN RESPONSE ACTIONS.] *It is a defense to liability under this section that the damages resulted from acts taken or omitted in preparation for, or in the course of rendering care, assistance, or advice to the director or agency pursuant to section 17 or in accordance with the national hazardous substance response plan pursuant to the Federal Superfund Act, under 42 U.S.C. Section 9605, or at the direction of an on-scene coordinator appointed under that plan, with respect to any release or threatened release of a hazardous substance.*

Subd. 10. [BURDEN OF PROOF FOR DEFENSES.] *Any person claiming a defense provided in subdivisions 6 to 9 has the burden to prove all elements of the defense by a preponderance of the evidence.*

Sec. 6. [115B.06] [APPLICATION TO PAST ACTIONS.]

Subdivision 1. [APPLICATION OF SECTION 5 AND ADDITIONAL DEFENSE.] (a) *A defendant in an action under*

section 5 has the additional defense provided in subdivision 2 for damages caused or significantly contributed to by the release of a hazardous substance from a facility if the defendant shows that the substance was placed or came to be located in or on the facility wholly before January 1, 1973.

(b) Section 5 does not apply to any claim for damages arising out of the release of a hazardous substance which was placed or came to be located in or on the facility wholly before January 1, 1960.

Subd. 2. [ADDITIONAL DEFENSE.] For a defendant who has made the showing required in subdivision 1, clause (a), it is a defense to liability under section 5 that the activity by which the substance was kept, placed, or came to be located in or on the facility was not an abnormally dangerous activity. The determination of whether the activity was an abnormally dangerous activity shall be made by the court.

Sec. 7. [115B.07] [CAUSATION.]

In any action brought under section 5 or any other law to recover damages for death, personal injury, or disease arising out of the release of a hazardous substance, the court may not direct a verdict against the plaintiff on the issue of causation if the plaintiff produces evidence sufficient to enable a reasonable person to find that:

(a) the defendant is a person who is responsible for the release;

(b) the plaintiff was exposed to the hazardous substance;

(c) the release could reasonably have resulted in plaintiff's exposure to the substance in the amount and duration experienced by the plaintiff; and

(d) the death, injury, or disease suffered by the plaintiff is caused or significantly contributed to by exposure to the hazardous substance in an amount and duration experienced by the plaintiff.

Evidence to a reasonable medical certainty that exposure to the hazardous substance caused or significantly contributed to the death, injury, or disease is not required for the question of causation to be submitted to the trier of fact.

Nothing in this section shall be construed to relieve the plaintiff of the burden of proving that the defendant is a person who is responsible for the release and of proving the causal connection between the release of the hazardous substance for which

the defendant is a responsible person and the plaintiff's death, injury, or disease.

Sec. 8. [115B.08] [LIABILITY UNDER SECTION 4; APPORTIONMENT AND CONTRIBUTION.]

Subdivision 1. [RIGHT OF APPORTIONMENT; FACTORS.] Any person held jointly and severally liable under section 4 has the right at trial to have the trier of fact apportion liability among the parties as provided in this section. The burden is on each defendant to show how his liability should be apportioned. The court shall reduce the amount of damages in proportion to any amount of liability apportioned to the party recovering.

In apportioning the liability of any party under this section, the trier of fact shall consider the following:

(a) The extent to which that party's contribution to the release of a hazardous substance can be distinguished;

(b) The amount of hazardous substance involved;

(c) The degree of toxicity of the hazardous substance involved;

(d) The degree of involvement of and care exercised by the party in manufacturing, treating, transporting, and disposing of the hazardous substance;

(e) 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

(f) Knowledge by the party of the hazardous nature of the substance.

Subd. 2. [CONTRIBUTION.] If a person is held jointly and severally liable under section 4 and establishes his proportionate share of the aggregate liability, the provisions of section 604.02, subdivisions 1 and 2, shall apply with respect to contribution and reallocation of any uncollectible amounts.

Sec. 9. [115B.09] [LIABILITY UNDER SECTION 5; COMPARATIVE FAULT AND CONTRIBUTION.]

The provisions of sections 604.01, 604.02, subdivisions 1 and 2, apply to any action for damages under section 5, except that, if the percentage of fault attributable to a defendant is determined under section 604.01, the liability of the defendant shall be limited to two times that percentage of the damages recoverable in the action.

Sec. 10. [115B.10] [NO AVOIDANCE OF LIABILITY; INSURANCE AND SUBROGATION.]

An owner or operator of a facility or any other person who may be liable under sections 1 to 15 may not avoid that liability by means of any conveyance of any right, title, or interest in real property, or by any indemnification, hold harmless agreement, or similar agreement. Nothing in this section shall be construed:

(a) To prohibit any party who may be liable under sections 1 to 15 from entering an agreement by which that party is insured, held harmless or indemnified for part or all of that liability;

(b) To prohibit the enforcement of any insurance, hold harmless or indemnification agreement; or

(c) To bar any cause of action brought by a party who may be liable under sections 1 to 15 or by an insurer or guarantor, whether by right of subrogation or otherwise.

Sec. 11. [115B.11] [STATUTE OF LIMITATIONS.]

No person may recover pursuant to sections 1 to 15 unless the action is commenced within six years from the date when the cause of action accrues. In determining when the cause of action accrues for an action to recover damages for death, personal injury or disease, the court shall consider factors including the following:

(a) When the plaintiff discovered the injury or loss;

(b) Whether a personal injury or disease had sufficiently manifested itself; and

(c) When the plaintiff discovered, or using due diligence should have discovered, a causal connection between the injury, disease, or loss and the release of a hazardous substance.

Sec. 12. [115B.12] [OTHER REMEDIES PRESERVED.]

Nothing in sections 1 to 15 shall be construed to abolish or diminish any remedy or affect the right of any person to bring a legal action or use any remedy available under any other provision of state or federal law, including common law, to recover for personal injury, disease, economic loss or response costs arising out of a release of any hazardous substance, or for removal or the costs of removal of that hazardous substance. Nothing in sections 1 to 15 shall be construed to limit or restrict in any way the liability of any person under any other state or federal law, including common law, for loss due to personal injury or disease, for economic loss, or for response costs arising out of any release or

threatened release of a hazardous substance from a facility regardless of the time at which a hazardous substance was placed or came to be located in or on the facility. The provisions of sections 1 to 15 shall not be considered, interpreted, or construed in any way as reflecting a determination, in whole or in part, of policy regarding the inapplicability of strict liability, or strict liability doctrines under any other state or federal law, including common law, to activities past, present or future, relating to hazardous substances, or pollutants or contaminants, or other similar activities.

Sec. 13. [115B.13] [DOUBLE RECOVERY PROHIBITED.]

A person who recovers response costs or damages pursuant to sections 1 to 15 may not recover the same costs or damages pursuant to any other law. A person who recovers response costs or damages pursuant to any other state or federal law may not recover for the same costs or damages pursuant to sections 1 to 15.

Sec. 14. [115B.14] [AWARD OF COSTS.]

Upon motion of a party prevailing in an action under sections 1 to 15 the court may award costs, disbursements and reasonable attorney fees and witness fees to that party.

Sec. 15. [115B.15] [APPLICATION OF SECTIONS 1 TO 14.]

Sections 1 to 14 apply to any release or threatened release of a hazardous substance occurring on or after July 1, 1983, including any release which began before July 1, 1983, and continued after that date. Sections 1 to 14 do not apply to a release or threatened release which occurred wholly before July 1, 1983, regardless of the date of discovery of any injury or loss caused by the release or threatened release.

Sec. 16. [115B.16] [DISPOSITION OF FACILITIES.]

Subdivision 1. [CLOSED DISPOSAL FACILITIES; USE OF PROPERTY.] No person shall use any property on or in which hazardous waste remains after closure of a disposal facility as defined in section 115A.03, subdivision 10, in any way that disturbs the integrity of the final cover, liners, or any other components of any containment system, or the function of the disposal facility's monitoring systems, unless the agency finds that the disturbance:

(a) Is necessary to the proposed use of the property, and will not increase the potential hazard to human health or the environment; or

(b) *Is necessary to reduce a threat to human health or the environment.*

Subd. 2. [RECORDING OF AFFIDAVIT.] Before any transfer of ownership of any property which the owner knew or should have known was used as the site of a hazardous waste disposal facility as defined in section 115A.03, subdivision 10, or which the owner knew or should have known is subject to extensive contamination by release of a hazardous substance, the owner shall record with the county recorder of the county in which the property is located an affidavit containing a legal description of the property that discloses to any potential transferee:

(a) *That the land has been used to dispose of hazardous waste or that the land is contaminated by a release of a hazardous substance;*

(b) *The identity, quantity, location, condition and circumstances of the disposal or contamination to the full extent known or reasonably ascertainable; and*

(c) *That the use of the property or some portion of it may be restricted as provided in subdivision 1.*

An owner must also file an affidavit within 60 days after any material change in any matter required to be disclosed under clauses (a) to (c) with respect to property for which an affidavit has already been recorded.

If the owner or any subsequent owner of the property removes the hazardous substance, together with any residues, liner, and contaminated underlying and surrounding soil, that owner may record an affidavit indicating the removal of the hazardous substance.

Failure to record an affidavit as provided in this subdivision does not affect or prevent any transfer of ownership of the property.

Subd. 3. [DUTY OF COUNTY RECORDER.] The county recorder shall record all affidavits presented to him in accordance with subdivision 2. The affidavits shall be recorded in a manner which will assure their disclosure in the ordinary course of a title search of the subject property.

Subd. 4. [PENALTIES.] (a) Any person who knowingly violates the provisions of subdivision 1 is subject to a civil penalty in an amount determined by the court of not more than \$100,000, and shall be liable under sections 4 and 5 for any release or threatened release of any hazardous substance resulting from the violation.

(b) Any person who knowingly fails to record an affidavit as required by subdivision 2 shall be liable under sections 4 and 5 for any release or threatened release of any hazardous substance from a facility located on that property.

(c) A civil penalty may be imposed and recovered by an action brought by a county attorney or by the attorney general in the district court of the county in which the property is located.

(d) Any civil fines recovered under this subdivision shall be deposited in the fund.

Sec. 17. [115B.17] [STATE RESPONSE TO RELEASES.]

Subdivision 1. [REMOVAL AND REMEDIAL ACTION.]
Whenever there is a release or substantial threat of release from a facility of any pollutant or contaminant which presents an imminent and substantial danger to the public health or welfare or the environment or whenever a hazardous substance is released or there is a threatened release of a hazardous substance from a facility:

(a) The agency may take any removal or remedial action relating to the hazardous substance, or pollutant or contaminant, which the agency deems necessary to protect the public health or welfare or the environment. Before taking any action the agency shall:

(1) Request any responsible party known to the agency to take actions which the agency deems reasonable and necessary to protect the public health or welfare or the environment, stating the reasons for the actions; a reasonable time for beginning and completing the actions taking into account the urgency of the actions for protecting the public health or welfare or the environment, and the intention of the agency to take action if the requested actions are not taken as requested;

(2) Notify the owner of real property where the facility is located or where response actions are proposed to be taken, if the owner is not a responsible party, that responsible parties have been requested to take response actions and that the owner's cooperation will be required in order for responsible parties or the agency to take those actions; and

(3) Determine that the actions requested by the agency will not be taken by any known responsible party in the manner and within the time requested.

(b) The director may take removal action which he deems necessary to protect the public health or welfare or the environment if the director determines that the release or threatened

release constitutes an emergency requiring immediate action to prevent, minimize or mitigate damage to the public health or welfare or the environment. Before taking any action the director shall make reasonable efforts in light of the urgency of the action to follow the procedure provided in clause (a).

No removal action taken by any person shall be construed as an admission of liability for a release or threatened release.

Subd. 2. [OTHER ACTIONS.] Whenever the agency or director is authorized to act pursuant to subdivision 1 or whenever the agency or director has reason to believe that a release of a hazardous substance, or a pollutant or contaminant, has occurred or is about to occur, or that illness, disease, or complaints thereof may be attributable to exposure to a hazardous substance, or a pollutant or contaminant, the agency or director may undertake investigations, monitoring, surveys, testing, and other similar activities necessary or appropriate to identify the existence and extent of the release or threat thereof, the source and nature of the hazardous substances, or pollutants or contaminants, and the extent of danger to the public health or welfare or the environment. In addition, the agency may undertake planning, legal, fiscal, economic, engineering, architectural, and other studies or investigations necessary or appropriate to plan and direct a response action, to recover the costs of the response action, and to enforce the provisions of sections 1 to 18.

Subd. 3. [DUTY TO PROVIDE INFORMATION] Any person who the agency has reason to believe is responsible for a release or threatened release as provided in section 3, or who is the owner of real property where the release or threatened release is located or where response actions are proposed to be taken, when requested by the agency, or any member, employee or agent thereof who is authorized by the agency, shall furnish to the agency any information which he may have or may reasonably obtain which is relevant to the release or threatened release.

Subd. 4. [ACCESS TO INFORMATION AND PROPERTY.] The agency or any member, employee or agent thereof authorized by the agency, upon presentation of credentials, may:

(a) Examine and copy any books, papers, records, memoranda or data of any person who has a duty to provide information to the agency under subdivision 3; and

(b) Enter upon any property, public or private, for the purpose of taking any action authorized by this section including obtaining information from any person who has a duty to provide the information under subdivision 3, conducting surveys or investigations, and taking removal or remedial action.

Subd. 5. [CLASSIFICATION OF DATA.] Except as otherwise provided in this subdivision, data obtained from any person pursuant to subdivision 3 or 4 is public data as defined in section 13.02. Upon certification by the subject of the data that the data relates to sales figures, processes or methods of production unique to that person, or information which would tend to affect adversely the competitive position of that person, the director shall classify the data as private or nonpublic data as defined in section 13.02. Notwithstanding any other law to the contrary, data classified as private or nonpublic under this subdivision may be disclosed when relevant in any proceeding under sections 1 to 18, or to other public agencies concerned with the implementation of sections 1 to 18.

Subd. 6. [RECOVERY OF EXPENSES.] Any reasonable and necessary expenses incurred by the agency or director pursuant to this section, including all response costs, and administrative and legal expenses, may be recovered in a civil action brought by the attorney general against any person who may be liable under section 4 or any other law. The agency's certification of expenses shall be prima facie evidence that the expenses are reasonable and necessary. Any expenses incurred pursuant to this section which are recovered by the attorney general pursuant to section 4 or any other law, including any award of attorneys fees, shall be deposited in the fund and credited to a special account for additional response actions as provided in section 20, subdivision 2, clause (b) or (d).

Subd. 7. [ACTIONS RELATING TO NATURAL RESOURCES.] For the purpose of this subdivision, the state is the trustee of the air, water and wildlife of the state. An action pursuant to section 4 for damages with respect to air, water or wildlife may be brought by the attorney general in the name of the state as trustee for those natural resources. Any damages recovered by the attorney general pursuant to section 4 or any other law for injury to, destruction of, or loss of natural resources resulting from the release of a hazardous substance, or a pollutant or contaminant, shall be deposited in the fund and credited to a special account for the purposes provided in section 20, subdivision 2, clause (f).

Subd. 8. [ACTIONS RELATING TO PESTICIDES OR FERTILIZER OR SOIL OR PLANT AMENDMENTS.] When the commissioner of agriculture has reported an incident involving the release of pesticides under the provisions of section 18A.37 or the release of fertilizers or soil or plant amendments, and the agency determines that the incident constitutes a release of a hazardous substance, or a pollutant or contaminant, the agency shall authorize the commissioner, subject to the provisions of subdivision 13, to take any action which the agency would be authorized to take under subdivisions 1 to 4. Subject to the provisions of section 20, subdivision 3, the agency shall reimburse the commissioner from the fund for the reasonable and

necessary expenses incurred in taking those actions and may recover any amount spent from the fund under subdivision 6.

Subd. 9. [ACTIONS RELATING TO OCCUPATIONAL SAFETY AND HEALTH.] The agency, director and the commissioner of labor and industry shall make reasonable efforts to coordinate any actions taken under this section and under sections 182.65 to 182.674 to avoid duplication or conflict of actions or requirements with respect to a release or threatened release affecting the safety of any conditions or place of employment.

Subd. 10. [ACTIONS RELATING TO HEALTH.] The agency and director shall make reasonable efforts to coordinate and consult with the commissioner of health in planning and directing response actions with respect to a release or threatened release affecting the public health. If the commissioner of health, upon the request of the agency, takes any actions authorized under this section, the agency shall reimburse the commissioner from the fund for the reasonable and necessary expenses incurred in taking those actions and may recover any amount spent from the fund under subdivision 6.

Subd. 11. [LIMIT ON ACTIONS BY POLITICAL SUBDIVISIONS.] When the agency or director has requested a person who is responsible for a release or threatened release to take any response action under subdivision 1, no political subdivision shall request or order that person to take any action which conflicts with the action requested by the agency or director.

Subd. 12. [AUTHORIZATION OF CERTAIN RESPONSE ACTIONS.] For the purpose of permitting a political subdivision or private person to recover response costs as provided in section 4, subdivision 6, the agency may authorize the political subdivision to take removal or remedial actions or may authorize the private person to take removal actions with respect to any release of a hazardous substance which was placed or came to be located in the facility before April 1, 1982. The authorization shall be based on application of the criteria in the rules of the agency adopted under subdivision 13 or, if the rules have not been adopted, under the criteria set forth in subdivision 13 on which the rules are required to be based. The authorization shall not be inconsistent with the criteria. This subdivision shall not be construed to prohibit a political subdivision or private person from taking removal or remedial actions without the authorization of the agency.

Subd. 13. [PRIORITIES; RULES.] By November 1, 1983, the agency shall establish a temporary list of priorities among releases or threatened releases for the purpose of taking remedial action and, to the extent practicable consistent with the urgency of the action, for taking removal action under this section. The temporary list, with any necessary modifications, shall remain in effect until the agency adopts rules establishing state criteria for

determining priorities among releases and threatened releases. The agency shall adopt the rules by July 1, 1984. After rules are adopted, a permanent priority list shall be established, and may be modified from time to time, according to the criteria set forth in the rules. Before any list is established under this subdivision the agency shall publish the list in the state register and allow 30 days for comments on the list by the public.

The temporary list and the rules required by this subdivision shall be based upon the relative risk or danger to public health or welfare or the environment, taking into account to the extent possible the population at risk, the hazardous potential of the hazardous substances at the facilities, the potential for contamination of drinking water supplies, the potential for direct human contact, the potential for destruction of sensitive ecosystems, the administrative and financial capabilities of the agency, and other appropriate factors.

Sec. 18. [115B.18] [FAILURE TO TAKE REQUESTED ACTIONS; CIVIL PENALTIES; ACTION TO COMPEL PERFORMANCE; INJUNCTIVE RELIEF.]

Subdivision 1. [CIVIL PENALTIES.] Any person responsible for a release or threatened release from a facility of a pollutant or contaminant which presents an imminent and substantial danger to the public health or welfare or the environment or for a release or threatened release of a hazardous substance from a facility shall forfeit and pay to the state a civil penalty in an amount to be determined by the court of not more than \$20,000 per day for each day that the person fails to take reasonable and necessary response actions or to make reasonable progress in completing response actions requested as provided in subdivision 3.

The penalty provided under this subdivision may be recovered by an action brought by the attorney general in the name of the state in connection with an action to recover expenses of the agency under section 17, subdivision 6, or by a separate action in the district court of Ramsey County. All penalties recovered under this subdivision shall be deposited in the fund.

Subd. 2. [ACTION TO COMPEL PERFORMANCE.] When any person who is responsible for a release or threatened release from a facility of a pollutant or contaminant which presents an imminent and substantial danger to the public health or welfare or the environment or for a release or threatened release of a hazardous substance from a facility, fails to take response actions or to make reasonable progress in completing response actions requested as provided in subdivision 3, the attorney general may bring an action in the name of the state to compel performance of the requested response actions. If any person having any right, title, or interest in and to the real property where the facility is located or where response actions are proposed to be

taken is not a person responsible for the release or threatened release, the person may be joined as an indispensable party in an action to compel performance in order to assure that the requested response actions can be taken on that property by the responsible parties.

Subd. 3. [REQUESTS FOR RESPONSE ACTIONS.] A request for emergency removal action shall be made by the director. Other requests for response actions shall be made by the agency. A request shall be in writing, shall state the action requested, the reasons for the action, and a reasonable time by which the action must be begun and completed taking into account the urgency of the action for protection of the public health or welfare or the environment.

Subd. 4. [INJUNCTIVE RELIEF.] The release or threatened release of a hazardous substance, or a pollutant or contaminant, shall constitute a public nuisance and may be enjoined in an action, in the name of the state, brought by the attorney general.

Sec. 19. [115B.19] [PURPOSES OF FUND AND TAXES.]

In establishing the environmental response, compensation and compliance fund in section 20 and imposing taxes in section 22 it is the purpose of the legislature to:

(a) Encourage treatment and disposal of hazardous waste in a manner that adequately protects the public health or welfare or the environment;

(b) Encourage responsible parties to provide the response actions necessary to protect the public and the environment from the effects of the release of hazardous substances;

(c) Encourage the use of alternatives to land disposal of hazardous waste including resource recovery, recycling, neutralization, and reduction;

(d) Provide state agencies with the financial resources needed to prepare and implement an effective and timely state response to the release of hazardous substances, including investigation, planning, removal and remedial action;

(e) Compensate for increased governmental expenses and loss of revenue and to provide other appropriate assistance to mitigate any adverse impact on communities in which commercial hazardous waste processing or disposal facilities are located under the siting process provided in chapter 115A;

(f) Recognize the environmental and public health costs of land disposal of solid waste and of the use and disposal of

hazardous substances and to place the burden of financing state hazardous waste management activities on those whose products and services contribute to hazardous waste management problems and increase the risks of harm to the public and the environment.

Sec. 20. [115B.20] [ENVIRONMENTAL RESPONSE, COMPENSATION AND COMPLIANCE FUND.]

Subdivision 1. [ESTABLISHMENT.] The environmental response, compensation and compliance fund is created as an account in the state treasury and may be spent only for the purposes provided in subdivision 2.

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 17, including investigation, monitoring and testing activities, enforcement and compliance efforts relating to the release of hazardous substances, pollutants or contaminants under section 17 or 18;

(b) Removal and remedial actions taken or authorized by the agency or director under section 17, including related enforcement and compliance efforts under section 17 or 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 42 U.S.C. 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 director under section 17 including related enforcement and compliance efforts under section 17 or 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 42 U.S.C. 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 sec-

tion 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.

Subd. 3. [LIMIT ON CERTAIN EXPENDITURES.] The director or agency may not spend any money under subdivision 2, clause (b) or (d) for removal or remedial actions to the extent that the costs of those actions may be compensated from any fund established under the Federal Superfund Act, 42 U.S.C. Section 9600 et seq. The director or agency shall determine the extent to which any of the costs of those actions may be compensated under the federal act based on the likelihood that the compensation will be available in a timely fashion. In making this determination the director or agency shall take into account:

(a) The urgency of the removal or remedial actions and the priority assigned under the Federal Superfund Act to the release which necessitates those actions;

(b) The availability of money in the funds established under the Federal Superfund Act; and

(c) The consistency of any compensation for the cost of the proposed actions under the Federal Superfund Act with the national contingency plan, if such a plan has been adopted under that act.

Subd. 4. [REVENUE SOURCES.] Revenue from the following sources shall be deposited in the environmental response, compensation and compliance fund:

(a) The proceeds of the taxes imposed pursuant to section 22, including interest and penalties;

(b) All money recovered by the state under sections 1 to 18 or under any other statute or rule related to the regulation of hazardous waste or hazardous substances, including civil penalties and money paid under any agreement, stipulation or settlement but excluding fees imposed under section 25;

(c) All interest attributable to investment of money deposited in the fund; and

(d) All money received in the form of gifts, grants, reimbursement or appropriation from any source for any of the purposes provided in subdivision 2, except federal grants.

Subd. 5. [RECOMMENDATION BY LCWM.] The legislative commission on waste management shall make recommendations to the standing legislative committees on finance and appropriations regarding appropriations from the fund.

Subd. 6. [REPORT TO LEGISLATURE.] By November 1, 1984, and each year thereafter, the agency shall submit to the senate finance committee, the house appropriations committee and the legislative commission on waste management a report detailing the activities for which money from the environmental response, compensation and compliance fund has been spent during the previous fiscal year.

Sec. 21. [115B.21] [TAXES; DEFINITIONS.]

Subdivision 1. [APPLICATION.] The definitions provided in this section and section 2 apply to sections 21 to 24.

Subd. 2. [COMMISSIONER.] "Commissioner" means the commissioner of revenue.

Subd. 3. [GENERATOR.] "Generator" means a person who generates hazardous waste and who is required to disclose the generation of hazardous waste under the hazardous waste rules of the agency adopted under section 116.07.

Subd. 4. [LONG TERM CONTAINMENT.] "Long term containment" means land disposal or storage for a period of more than one year.

Subd. 5. [TREATMENT.] "Treatment" means any material, technique or process designed to change the physical,

chemical or biological character or composition of a hazardous waste in order to: (a) neutralize it; (b) render it nonhazardous or less hazardous; (c) render it safer to transport, store or dispose of; (d) make it amenable to storage; or (e) reduce its volume.

Subd. 6. [WASTEWATER TREATMENT UNIT.] *"Wastewater treatment unit" means a device which is part of a wastewater treatment facility subject to regulation pursuant to the federal Clean Water Act under 33 U.S.C. Section 1317 (b) or 1342.*

Sec. 22. [115B.22] [HAZARDOUS WASTE GENERATOR TAX.]

Subdivision 1. [TAXES IMPOSED; EXCLUSIONS.] *Each generator of hazardous waste shall pay the taxes imposed by this section based upon the volume and destination of the hazardous wastes generated. The taxes imposed by this section do not apply to hazardous wastes destined for recycling or reuse including waste accumulated, stored, or physically, chemically, or biologically treated before recycling or reuse, to used crankcase oil, to hazardous waste which is generated as a result of any response action, or to hazardous waste which meets applicable pretreatment standards or compliance schedules and is discharged to a public sewage treatment works.*

Subd. 2. [LONG TERM CONTAINMENT WITHOUT TREATMENT.] *Hazardous waste destined for long term containment without treatment shall be taxed at the rate of \$2 cents per gallon of liquid or \$32 per cubic yard of solid.*

Subd. 3. [LONG TERM CONTAINMENT AFTER TREATMENT.] *Hazardous waste destined for long term containment after treatment shall be taxed at the rate of 16 cents per gallon of liquid or \$16 per cubic yard of solid.*

Subd. 4. [LAND TREATMENT.] *Hazardous waste destined for treatment in or on the land shall be taxed at the rate of \$32 per cubic yard.*

Subd. 5. [OTHER TREATMENT.] *Hazardous waste destined for treatment, other than as provided in subdivision 6, to produce a material which is not hazardous, including treatment permitted by the agency in a sewage treatment works, or hazardous waste which is destined for destructive treatment by incineration shall be taxed at the rate of eight cents per gallon of liquid or \$8 per cubic yard of solid.*

Subd. 6. [ON-SITE WASTEWATER TREATMENT.] *The tax imposed under this section does not apply to hazardous waste which is destined for treatment in an on-site wastewater treatment unit to produce a material which is not hazardous before*

entering a public sewer system or waters of the state but the tax does apply to any residue of treatment which is a hazardous waste.

Subd. 7. [DISPOSITION OF PROCEEDS.] The proceeds of the taxes imposed under this section including any interest and penalties shall be deposited in the fund.

Subd. 8. [REVIEW OF TAX BY LCWM.] After the waste management board submits the plan required under section 115A.11 to the legislative commission on waste management, the commission shall review the taxes and tax rates imposed under this section in light of the objectives and recommendations of the plan, and shall recommend to the standing tax committees of both houses of the legislature any changes in the taxes or tax rates which are needed to assist or encourage implementation of the strategies adopted by the state for management of hazardous waste.

Sec. 23. [115B.23] [SEVERABILITY.]

If any tax imposed under section 22 is found to be invalid because of the purpose for which the proceeds were appropriated or made available under section 20, subdivision 2, the proceeds of that tax shall not be appropriated or available for the objectionable purposes, but the tax shall continue to be imposed and the proceeds shall be appropriated and made available for other purposes provided in section 20, subdivision 2.

Sec. 24. [115B.24] [TAX ADMINISTRATION AND ENFORCEMENT.]

Subdivision 1. [ANNUAL RETURNS.] Every generator of hazardous waste subject to taxation pursuant to section 22 shall file a return relating to the tax due for the preceding calendar year with the commissioner of revenue by April 15 each year, in the form prescribed by the commissioner. Payment of the tax, to the extent not paid in full pursuant to subdivisions 2 and 3, shall be submitted with the return.

Subd. 2. [DECLARATIONS OF ESTIMATED TAX.] For 1983, every generator of hazardous waste required to pay a tax pursuant to section 22 shall make a declaration of estimated hazardous waste generated for the last six months of calendar 1983 if the tax can reasonably be estimated to exceed \$500. The declaration of the estimated tax shall be filed by October 15, 1983. The amount of estimated tax with respect to which a declaration is required shall be paid in two equal installments by October 15, 1983 and January 15, 1984. For 1984 and subsequent years, every generator of hazardous waste required to pay a tax pursuant to section 22 shall make a declaration of estimated hazardous waste generated for the calendar year if the tax can reasonably be expected to be in excess of \$1,000. The declaration

of estimated tax shall be filed by March 15. The amount of estimated tax with respect to which a declaration is required shall be paid in four equal installments on or before the 15th day of March, June, September, and December.

An amendment of a declaration may be filed in any interval between installment dates prescribed above but only one amendment may be filed in each interval. If an amendment of a declaration is filed, the amount of each remaining installment shall be the amount which would have been payable if the new estimate had been made when the first estimate for the calendar year was made, increased or decreased, as the case may be, by the amount computed by dividing

(1) the difference between (A) the amount of estimated tax required to be paid before the date on which the amendment was made, and (B) the amount of estimated tax which would have been required to be paid before that date if the new estimate had been made when the first estimate was made, by

(2) the number of installments remaining to be paid on or after the date on which the amendment is made.

The commissioner of revenue may grant a reasonable extension of time for filing any declaration but the extension shall not be for more than six months.

Subd. 3. [FAILURE TO PAY ESTIMATED TAX.] (a) In case of any underpayment of estimated tax required by this section, except as provided in clause (b), there shall be added to the tax for the taxable year an amount determined at the rate specified in section 270.75, subdivision 4, upon the amount of the underpayment for the period of the underpayment.

For purposes of this subdivision, the amount of the underpayment shall be the excess of

- (1) the amount of the installment, over
- (2) the amount, if any, of the installment paid on or before the last date prescribed for payment.

The period of the underpayment shall run from the date the installment was required to be paid to whichever of the following dates is the earlier:

- (1) April 15, or
- (2) With respect to any portion of the underpayment, the date on which the portion is paid. For purposes of this paragraph, a payment of estimated tax on any installment date shall be considered a payment of any previous underpayment only to

the extent the payment exceeds the amount of the installment determined under this subdivision for the installment date.

(b) Notwithstanding the provisions of clause (a), the addition to the tax with respect to any underpayment of any installment shall not be imposed if the total amount of all payments of estimated tax made on or before the last date prescribed for the payment of the installment equals or exceeds the amount which would have been required to be paid on or before that date if the estimated tax were the lesser of:

(1) For 1985 and thereafter, the tax shown on the return of the taxpayer for the preceding year or, for 1984, twice the amount of the tax shown for 1983; or

(2) Eighty percent of the actual liability for the year.

Subd. 4. [REFUNDS OF OVERPAYMENTS OF ESTIMATED TAX.] *Refunds of overpayments of estimated tax shall be made as provided in section 290.936.*

Subd. 5. [EXCHANGE OF INFORMATION.] *Notwithstanding the provisions of section 116.075, the pollution control agency may provide the commissioner of revenue with the information necessary for the enforcement of section 22 and this section. Information disclosed in a return filed pursuant to this section is public. 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 pursuant to section 116.075 or is trade secret information classified pursuant to section 13.37. Information obtained in the course of an audit of the taxpayer by the department of revenue shall be nonpublic or private data to the extent that it is not directly divulged in a return of the tax.*

Subd. 6. [PAYMENT BY OUT-OF-STATE GENERATORS.] *A generator of any hazardous waste which is generated outside of this state and is transported into this state for long term containment or treatment as described in section 22, subdivisions 2 to 5 shall pay the tax imposed by section 22 at the first point at which the hazardous wastes are received by a person in this state for storage, treatment or long term containment. The tax shall be paid to the person who first receives the wastes in this state at the time the waste is received and shall be remitted by that person to the commissioner of revenue quarterly in the form and manner provided by the commissioner.*

Subd. 7. [DUTIES OF THE AGENCY AND METROPOLITAN COUNTIES.] *The agency shall provide to the commissioner the names and addresses of all persons known to the agency who are subject to tax under section 22, together with any information which the agency possesses concerning the amount of hazardous waste generated and disposed of by those*

persons. Metropolitan counties required to regulate hazardous wastes under section 473.811, subdivision 5b, shall provide to the agency the data and information necessary to allow the agency to carry out its duties under this subdivision. Upon request by the commissioner, the agency shall examine returns and reports filed with the commissioner and notify the commissioner of any suspected inaccurate or fraudulent declaration or return. The agency may assist in auditing any person subject to tax under section 22 when requested by the commissioner.

Subd. 8. [PENALTIES; ENFORCEMENT.] The audit, penalty and enforcement provisions applicable to taxes imposed under chapter 290 apply to the taxes imposed under section 22 and those provisions shall be administered by the commissioner.

Subd. 9. [RULES.] The commissioner may adopt temporary and permanent rules necessary to implement the provisions of this section and section 22.

Subd. 10. [ADMINISTRATIVE EXPENSES.] Any amount expended by the commissioner from a general fund appropriation to enforce and administer section 22 and this section shall be reimbursed to the general fund and the amount necessary to make the reimbursement is appropriated from the fund to the commissioner of finance for transfer to the general fund.

Sec. 25. [116.12] [HAZARDOUS WASTE ADMINISTRATION FEES.]

Subdivision 1. [FEE SCHEDULES.] The agency shall establish the fees provided in subdivisions 2 and 3 in the manner provided in section 16A.128 to cover the amount appropriated from the general fund to the agency for that year for permitting, monitoring, inspection and enforcement expenses of the hazardous waste activities of the agency.

The legislature may appropriate additional amounts that need not be covered by fees or may provide that the fees shall cover only a portion of the general fund appropriation for the hazardous waste activities of the agency, in order to assure adequate funding for the regulatory and enforcement functions of the agency related to hazardous waste. All fees collected by the agency under this section shall be deposited in the general fund.

Subd. 2. [HAZARDOUS WASTE GENERATOR FEE.] Each generator of hazardous waste shall pay a fee on the hazardous waste which he generates. The agency shall compute the amount of the fee due based on the hazardous waste disclosures submitted by the generators and other information available to the agency. The agency shall annually prepare a statement of the amount of the fee due from each generator. The fee shall be paid annually commencing with the first day of the calendar quarter after the date of the statement.

The agency may exempt generators of small quantities of hazardous wastes otherwise subject to the fee if it finds that the cost of administering a fee on those generators is excessive relative to the proceeds of the fee. The fee shall consist of a minimum fee for each generator not exempted by the agency and an additional fee based on the quantity of wastes generated by the generator.

If any metropolitan counties recover the costs of administering county hazardous waste regulations by charging fees, the fees charged by the agency outside of those counties shall not exceed the fees charged by those counties. The agency shall not charge a fee in any metropolitan county which charges such a fee. The agency shall impose a fee calculated as a surcharge on the fees charged by the metropolitan counties and by the agency to reflect the agency's expenses in carrying out its statewide hazardous waste regulatory responsibilities. The surcharge imposed on the fees charged by the metropolitan counties shall be collected by the metropolitan counties in the manner in which the counties collect their generator fees. Metropolitan counties shall remit the proceeds of the surcharge to the agency by the last day of the month following the month in which they were collected.

Subd. 3. [FACILITY FEES.] The agency shall charge an original permit fee, a reissuance fee and an annual operator's fee for any hazardous waste facility regulated by the agency. The agency may include reasonable and necessary costs of any environmental review required under chapter 116D in the original permit fee for any hazardous waste facility.

Sec. 26. Minnesota Statutes 1982, section 115A.24, subdivision 1, is amended to read:

Subdivision 1. [CERTIFICATE.] (EXCEPT AS PROVIDED IN SUBDIVISION 2,) By December 15, 1982, on the basis of and consistent with its hazardous waste management plan adopted under section 115A.11, the board shall issue a certificate or certificates of need for disposal facilities for hazardous wastes in the state. The certificate or certificates shall indicate the types and volumes of waste for which disposal facilities are and will be needed through the year 2000 and the number, types, sizes, general design and operating specifications, and function or use of the disposal facilities needed in the state. The board shall certify need only to the extent that the board has determined that there are no feasible and prudent alternatives including waste reduction, separation, pretreatment, processing, and resource recovery which would minimize adverse impact upon natural resources, provided that the board shall require the establishment of at least one commercial disposal facility in the state. Economic considerations alone shall not justify certification nor the rejection of alternatives. Alternatives that are speculative and conjectural shall not be deemed to be feasible and

prudent. The board shall consider all technologies being developed in other countries as well as in the United States when it considers the alternatives to hazardous waste disposal. The certificate or certificates shall not be subject to the provisions of chapter 14 but shall be the final determination required on the matters decided by the certificate or certificates and shall have the force and effect of law. The certificate or certificates shall not be amended for five years. The board and the permitting agencies, in reviewing and selecting sites, completing environmental impact statements, and issuing approvals and permits for waste disposal facilities described in the certificate or certificates of need, shall not reconsider matters determined in the certification. The board and the permitting agencies shall be required to make a final decision approving the establishment of facilities consistent with the certification. The board and the permitting agencies shall be required to make a final decision approving the establishment of at least one commercial disposal facility for hazardous waste in the state.

Sec. 27. Minnesota Statutes 1982, section 466.01, is amended by adding a subdivision to read:

Subd. 3. For the purposes of sections 466.01 to 466.15, "release" and "hazardous substance" have the meanings given in section 2.

Sec. 28. Minnesota Statutes 1982, 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) \$100,000 when the claim is one for death by wrongful act or omission and \$100,000 to any claimant in any other case;

(b) \$300,000 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 1 to 15 or under any other law.*

No award for damages on any such claim shall include punitive damages.

Sec. 29. [RECOMMENDATIONS CONCERNING ALLOCATION OF LIABILITY.]

The waste management board shall make recommendations to the legislature by November 1, 1983 regarding the allocation of

liability among the owners, operators, and users of a hazardous waste disposal facility established pursuant to sections 115A.18 to 115A.30, including any recommended legislative changes, taking into consideration the need for the facility, the state's involvement in the facility, the need to protect the health, property and environment of the local community from injury and loss, and the need for incentives to encourage the development and use of alternatives to land disposal. The recommendations shall be made after consultation with affected industries, including insurers, generators, transporters, disposers, and treaters of hazardous waste, individuals, including academic, scientific and legal professionals, and groups, including community and environmental groups.

Sec. 30. [VICTIM COMPENSATION STUDY.]

By July 1, 1984, the legislative commission on waste management shall conduct a study and make recommendations to the legislature on the creation of a compensation fund to compensate persons who are injured as the result of a release of a hazardous substance and who would not otherwise be adequately compensated for their injuries. The study shall consider matters including the following:

(a) The appropriate scope of compensation which should be provided by the fund including the extent of any compensation which should be available for medical expenses, disability, loss of income, physical impairment, and death;

(b) Creation of a simple, speedy, and cost efficient claims procedure which provides an effective remedy for injured claimants;

(c) Methods by which compensation can be financed by those who create or contribute to the risk of injury from hazardous substance releases, including the manner by which the state may seek to recover amounts paid from the fund; and

(d) Whether the fund should be established or administered at the federal or state level and the appropriate degree of state and federal cooperation in providing compensation.

Sec. 31. [INSURANCE STUDY.]

The commissioner of insurance shall conduct a study of insurance providing coverage for liability under section 5. The commissioner shall submit the results of the study, together with his recommendations, to the legislature by July 1, 1985. The director of the pollution control agency shall cooperate with and provide assistance to the commissioner during the course of the study.

Sec. 32. [APPROPRIATION; COMPLEMENT.]

Subdivision 1. [APPROPRIATION TO FUND.] \$5,000,000 is appropriated from the general fund and transferred to the environmental response, compensation, and compliance fund established in section 20. This appropriation is available until expended.

Subd. 2. [TAX ADMINISTRATION; COMPLEMENT.] \$50,000 in fiscal year 1984 and \$40,000 in fiscal year 1985 is appropriated from the general fund to the commissioner of revenue for the purposes of administering and enforcing sections 21 to 24. This appropriation shall be reimbursed to the general fund under the provisions of section 24, subdivision 10.

The complement of the department of revenue is increased by two positions.

Subd. 3. [APPROPRIATION FOR RESPONSE ACTIONS; COMPLEMENT.] \$483,700 in fiscal year 1984 and \$400,700 in fiscal year 1985 is appropriated from the environmental response, compensation, and compliance fund to the pollution control agency for administrative costs.

The complement of the pollution control agency is increased by ten positions.

All money in the environmental response, compensation, and compliance fund not otherwise appropriated is appropriated to the pollution control agency for the purposes described in section 20, subdivision 2, clauses (a), (b), and (c). This appropriation is available until June 30, 1985.

Subd. 4. [APPROPRIATION FOR COMPLIANCE ACTIONS; COMPLEMENT.] \$45,600 in fiscal year 1984 and \$56,400 in fiscal year 1985 is appropriated from the general fund to the attorney general for the purposes of enforcing this act. This appropriation shall be reimbursed to the general fund from the environmental response, compensation, and compliance fund, and the amount necessary to make the reimbursement is appropriated to the commissioner of finance for transfer to the general fund.

The complement of the office of the attorney general is increased by two positions.

Subd. 5. [APPROPRIATION FOR VICTIM COMPENSATION STUDY.] \$20,000 is appropriated from the general fund to the legislative commission on waste management to carry out the study required by section 30.

Subd. 6. [APPROPRIATION FOR INSURANCE STUDY.] There is appropriated from the general fund to the commissioner

of insurance \$5,000 for fiscal year 1984, to conduct the study described in section 31.

Sec. 33. [REPEALER.]

Minnesota Statutes 1982, section 115A.24, subdivision 2, is repealed.

Sec. 34. [EFFECTIVE DATE.]

Sections 17 to 24 are effective the day following final enactment. The taxes imposed by section 22 are effective July 1, 1983. The remaining sections of this act are effective July 1, 1983.

Amend the title as follows:

Page 1, line 9, after the semicolon, insert "providing for studies;"

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

House Conferees: DEE LONG, DARBY NELSON, WILLARD M. MUNGER, BOB ANDERSON and HARRY A. SIEBEN, JR.

Senate Conferees: GENE MERRIAM, RANDOLF W. PETERSON, WILLIAM P. LUTHER and ERIC D. PETTY.

Long moved that the report of the Conference Committee on H. F. No. 76 be adopted and that the bill be repassed as amended by the Conference Committee.

Olsen moved that the Conference Committee Report on H. F. No. 76 be rejected, that the Speaker appoint new conferees, and that the bill be returned to Conference Committee.

A roll call was requested and properly seconded on the Olsen motion.

The Speaker called Wynia to the Chair.

The question was taken on the Olsen motion and the roll was called.

Eken moved that those not voting be excused from voting. The motion prevailed.

There were 49 yeas and 78 nays as follows:

Those who voted in the affirmative were:

Bennett
Bishop

Blatz
Burger

Carlson, D.
Dempsey

DenOuden
Elioff

Erickson
Findlay

Fjoslien	Himle	Ludeman	Reif	Uphus
Forsythe	Hoberg	McDonald	Schafer	Valan
Frerichs	Hokr	McKasy	Schreiber	Valento
Gruenes	Jennings	Olsen	Scaberg	Waltman
Gutknecht	Johnson	Omann	Sherman	Welker
Haukoos	Knickerbocker	Pauly	Stadum	Wigley
Heap	Kvam	Piepho	Sviggum	Zaffke
Heinitz	Levi	Quist	Thiede	

Those who voted in the negative were:

Anderson, B.	Eken	Mann	Price	Skoglund
Anderson, G.	Ellingson	Marsh	Quinn	Solberg
Anderson, R.	Craba	McEachern	Rice	Sparby
Battaglia	Greenfield	Minne	Riveness	Staten
Beard	Gustafson	Munger	Rodosovich	Swanson
Begich	Hoffman	Murphy	Rodriguez, C.	Tomlinson
Bergstrom	Jacobs	Nelson, D.	Rodriguez, F.	Tunheim
Berkelman	Jensen	Nelson, K.	Rose	Vanasek
Brandl	Kahn	Neuenschwander	St. Onge	Vellenga
Brinkman	Kalis	Norton	Sarna	Voss
Carlson, L.	Kelly	Ogren	Scheid	Welch
Clark, J.	Knuth	Onnen	Schoenfeld	Welle
Clark, K.	Kostohryz	Osthoff	Scgal	Wenzel
Clawson	Krueger	Otis	Shaver	Speaker Sieben
Cohen	Larsen	Peterson	Shea	
Coleman	Long	Piper	Simoneau	

The motion did not prevail.

The Speaker resumed the Chair.

The question recurred on the Long motion that the report of the Conference Committee on H. F. No. 76 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

H. F. No. 76, A bill for an act relating to the environment; establishing an environmental response, compensation and compliance fund to pay for removal and remedial action associated with certain hazardous substances released into the environment and for other purposes; providing for liability for cleanup costs, personal injury, economic loss, and damage to natural resources resulting from releases of hazardous substances; imposing taxes, fees, and penalties; providing for injunctive relief; appropriating money; amending Minnesota Statutes 1982, sections 115A.24, subdivision 1; 466.01, by adding a subdivision; and 466.04, subdivision 1; proposing new law coded in Minnesota Statutes, chapter 116; proposing new law coded as Minnesota Statutes, chapter 115B; repealing Minnesota Statutes 1982, section 115A.24, 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.

Eken moved that those not voting be excused from voting. The motion prevailed.

There were 112 yeas and 18 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Elioff	Kostohryz	Peterson	Solberg
Anderson, G.	Ellingson	Krueger	Piepho	Sparby
Anderson, R.	Evans	Larsen	Price	Staten
Battaglia	Fjoslien	Long	Quinn	Sviggum
Beard	Forsythe	Mann	Quist	Swanson
Begich	Graba	Marsh	Keif	Tomlinson
Bennett	Greenfield	McDonald	Rice	Tunheim
Bergstrom	Gruenes	McEachern	Riveness	Uphus
Berkelman	Gustafson	McKasy	Rodosovich	Valan
Bishop	Haukoos	Minne	Rodriguez, C.	Valento
Blatz	Heap	Munger	Rodriguez, F.	Vanasek
Brandl	Himle	Murphy	Rose	Vellenga
Brinkman	Hoberg	Nelson, D.	St. Onge	Voss
Burger	Hoffman	Nelson, K.	Sarna	Waltman
Carlson, D.	Hokr	Neuenschwander	Scheid	Welch
Carlson, L.	Jacobs	Norton	Schoenfeld	Welle
Clark, J.	Jensen	Ogren	Schreiber	Wenzel
Clark, K.	Johnson	Olsen	Seaberg	Wynia
Clawson	Kahn	Omann	Segal	Zaffke
Cohen	Kalis	Onnen	Shaver	Speaker Sieben
Coleman	Kelly	Osthoff	Shea	
Dimler	Knickerbocker	Otis	Simoneau	
Eken	Knuth	Pauly	Skoglund	

Those who voted in the negative were:

Dempsey	Frichs	Kvam	Schafer	Welker
DenOuden	Gutknecht	Levi	Sherman	Wigley
Erickson	Heinitz	Ludeman	Stadum	
Findlay	Jennings	Piper	Thiede	

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

Clark, J., was excused for the remainder of today's session.

SPECIAL ORDERS, Continued

Eken moved that the remaining bills on Special Orders for today be continued one day. The motion prevailed.

CALL OF THE HOUSE LIFTED

Eken moved that the call of the House be dispensed with. The motion prevailed and it was so ordered.

GENERAL ORDERS

Eken moved that the bills on General Orders for today be continued one day. The motion prevailed.

MOTIONS AND RESOLUTIONS

Greenfield moved that the name of Staten be added as an author on H. F. No. 1013. The motion prevailed.

Kvam moved that his name be stricken as an author on H. F. No. 1218. The motion prevailed.

Dempsey moved that his name be stricken as an author on H. F. No. 1218. The motion prevailed.

Rodriguez, F., moved that the name of Wigley be added as an author on H. F. No. 1273. The motion prevailed.

Staten moved that the name of Clark, K., be added as an author on H. F. No. 1274. The motion prevailed.

Greenfield moved that the name of Clark, K., be added as an author on H. F. No. 1276. The motion prevailed.

Heap moved that the name of Segal be added as an author on H. F. No. 1277. The motion prevailed.

Norton, Munger and Carlson, D., introduced:

House Concurrent Resolution No. 5, A house concurrent resolution commending the University of Minnesota Department of Civil and Mineral Engineering for receipt of the 1983 National Award for Outstanding Civil Engineering Achievement from the American Society of Civil Engineers.

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

ADJOURNMENT

Eken moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 2:00 p.m., Thursday, May 5, 1983.

EDWARD A. BURDICK, Chief Clerk, House of Representatives

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STATE OF MINNESOTA

SEVENTY-THIRD SESSION - 1983

FORTY-SEVENTH DAY

SAINT PAUL, MINNESOTA, THURSDAY, MAY 5, 1983

The House of Representatives convened at 2:00 p.m. and was called to order by Harry A. Sieben, Jr., Speaker of the House.

Prayer was offered by Reverend Mary Bigelow McMillan, Interim President, United Theological Seminary of the Twin Cities, New Brighton, Minnesota.

The roll was called and the following members were present:

Anderson, B.	Evans	Kostohryz	Pauly	Solberg
Anderson, G.	Findlay	Krueger	Peterson	Sparby
Anderson, R.	Fjoslien	Kvam	Piepho	Stadum
Battaglia	Forsythe	Larsen	Piper	Staten
Beard	Frerichs	Levi	Price	Sviggum
Begich	Graba	Long	Quinn	Swanson
Bennett	Greenfield	Ludeman	Quist	Thiede
Bergstrom	Gruenes	Mann	Reif	Tomlinson
Berkelman	Gustafson	Marsh	Rice	Tunheim
Bishop	Gutknecht	McDonald	Riveness	Uphus
Blatz	Halberg	McEachern	Rodosovich	Vilan
Brandl	Haukoos	McKasy	Rodriguez, C.	Valento
Brinkman	Heap	Metzen	Rodriguez, F.	Vanasek
Burger	Heinitz	Minne	Rose	Vellenga
Carlson, D.	Himle	Munger	St. Onge	Waltman
Carlson, L.	Hoberg	Murphy	Sarna	Weich
Clark, J.	Hoffman	Nelson, D.	Schafer	Welker
Clark, K.	Hokr	Nelson, K.	Scheid	Welle
Clawson	Jacobs	Neuenschwander	Schoenfeld	Wenzel
Cohen	Jennings	Norton	Schreiber	Wigley
Coleman	Jensen	O'Connor	Seaberg	Wynia
Dempsey	Johnson	Ogren	Segal	Zaffke
Dunier	Kahn	Olsen	Shaver	Speaker Sieben
Eken	Kalis	Omann	Shea	
Elioff	Kelly	Onnen	Sherman	
Ellingson	Knickerbocker	Osthoff	Simoneau	
Erickson	Knuth	Otis	Skoglund	

A quorum was present.

DenOuden, Redalen and Voss were excused.

The Chief Clerk proceeded to read the Journal of the preceding day. Vanasek 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. 648 and 575 and S. F. Nos. 132, 812, 318, 733, 800, 985, 1048, 85, 359, 557, 984, 1003, 1008 and 1152 have been placed in the members' files.

S. F. No. 812 and H. F. No. 814, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Hoffman moved that S. F. No. 812 be substituted for H. F. No. 814 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 800 and H. F. No. 544, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Brandl moved that the rules be so far suspended that S. F. No. 800 be substituted for H. F. No. 544 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1003 and H. F. No. 933, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Brandl moved that the rules be so far suspended that S. F. No. 1003 be substituted for H. F. No. 933 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1152 and H. F. No. 802, 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. 1152 be substituted for H. F. No. 802 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 473 and H. F. No. 918, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Vellenga moved that the rules be so far suspended that S. F. No. 473 be substituted for H. F. No. 918 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1008 and H. F. No. 898, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Ellingson moved that the rules be so far suspended that S. F. No. 1008 be substituted for H. F. No. 898 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 985 and H. F. No. 1065, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Neuenschwander moved that the rules be so far suspended that S. F. No. 985 be substituted for H. F. No. 1065 and that the House File be indefinitely postponed. The motion prevailed.

SECOND READING OF SENATE BILLS

S. F. Nos. 812, 800, 1003, 1152, 473, 1008 and 985 were read for the second time.

INTRODUCTION AND FIRST READING
OF HOUSE BILLS

The following House Files were introduced:

Staten; Clark, K.; Kahn and Greenfield introduced:

H. F. No. 1281, A bill for an act relating to state investment policy; requiring divestiture of investments in banks, financial institutions, and companies doing business in or with South Africa or Namibia; providing for reinvestment of proceeds from required sales in institutions or companies which invest or conduct business operations in Minnesota; proposing new law coded in Minnesota Statutes, chapter 11A.

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

Berkelman introduced :

H. F. No. 1282, A bill for an act relating to financial institutions; exempting regulated lenders from the operation of certain usury provisions; authorizing foreign bank holding companies to acquire state banks and do business in the state as a result of these acquisitions; authorizing banks to organize or acquire insurance companies and securities broker-dealers for the purpose of engaging in these businesses; amending Minnesota Statutes 1982, section 48.15, by adding subdivisions; proposing new law coded in Minnesota Statutes, chapter 47.

The bill was read for the first time and referred to the Committee on Financial Institutions and Insurance.

Rice, for the Committee on Appropriations, introduced :

H. F. No. 1283, A bill for an act relating to the organization and operation of state government; appropriating money for education and related purposes to the department of education, higher education coordinating board, state university board, state community college board, University of Minnesota, and the Mayo medical foundation, with certain conditions; establishing a state board of vocational technical education; providing it and certain independent and intermediate school districts operating vocational technical schools with certain powers and duties; changing the authority and duties of the above named agencies, or one or more of them, or certain of their advisory councils with respect to governance, duration of existence, disposition of property, employment and compensation of personnel, tuition, institutional closings, gifts, appropriations, parking fees, scholarships, grants-in-aid, planning, hospital charges, and related educational matters; amending Minnesota Statutes 1982, sections 43A.18, subdivision 4; 120.17, subdivision 7a; 121.212, subdivision 2; 121.931, subdivision 7; 121.934, subdivision 2; 123.742, by adding a subdivision; 123.743; 124.48; 125.05, by adding a subdivision; 136.03; 136.034; 136.11, subdivision 1; 136.144; 136.62, by adding a subdivision; 136.63, subdivision 1a; 136.67, by adding a subdivision; 136A.121; 136A.14; 136A.141; 136A.143; 136A.15; 136A.16; 136A.17; 136A.26; 136A.29, subdivisions 2 and 9; 136A.42; and 158.05; proposing new law coded in Minnesota Statutes, chapters 136 and 136A; proposing new law coded as Minnesota Statutes, chapter 135A; and 136C; repealing Minnesota Statutes 1982, sections 121.11, subdivision 1; 121.217; 121.902, subdivision 1a; 121.936, subdivision 6; 124.53; 136A.144; 136A.145; 136A.146; 136A.161; 136A.18; 136A.19; 136A.20; 136A.21; and 136A.22.

The bill was read for the first time and laid over one day.

Clark, J., introduced:

H. F. No. 1284, A bill for an act relating to crimes; subjecting certain property to forfeiture if exchanged for or associated with controlled substances; conforming definitions with other statutes; amending Minnesota Statutes 1982, section 152.19, subdivisions 1, 2, 4, 5, and 8.

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

Clark, J., introduced:

H. F. No. 1285, A bill for an act relating to crimes; providing for forfeitures of conveyances, containers, weapons used, and contraband property when utilized in the commission of designated offenses; proposing new law coded in Minnesota Statutes, chapter 609.

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 Files, herewith returned:

H. F. No. 167, A bill for an act relating to liquor; authorizing the city of Dilworth to issue one on-sale license to an Eagles Club.

H. F. No. 794, A bill for an act relating to the legislature; enacting the present legislative apportionment into statutory form with minor alterations; amending Minnesota Statutes 1982, sections 2.021; 2.031; proposing new law coded in Minnesota Statutes, chapter 2; and repealing Minnesota Statutes 1982, sections 2.041 to 2.712.

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. 519, A bill for an act relating to public welfare; abolishing funding priorities for a certain grant program related

to facilities for adult mentally ill persons; amending Minnesota Statutes 1982, section 245.73, 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. 76, A bill for an act relating to the environment; establishing an environmental response, compensation and compliance fund to pay for removal and remedial action associated with certain hazardous substances released into the environment and for other purposes; providing for liability for cleanup costs, personal injury, economic loss, and damage to natural resources resulting from releases of hazardous substances; imposing taxes, fees, and penalties; providing for injunctive relief; appropriating money; amending Minnesota Statutes 1982, sections 115A.24, subdivision 1; 466.01, by adding a subdivision; and 466.04, subdivision 1; proposing new law coded in Minnesota Statutes, chapter 116; proposing new law coded as Minnesota Statutes, chapter 115B; repealing Minnesota Statutes 1982, section 115A.24, 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 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. 441, A bill for an act relating to housing; increasing the maximum permissible return to certain mortgagors; increasing the maximum amount of housing finance agency rehabilitation loans; combining certain bonding categories; clarifying other housing finance agency duties and powers; modifying certain duties and powers of issuers of local housing revenue bonds; amending Minnesota Statutes 1982, sections 462A.03, subdivision 13; 462A.05, subdivisions 4, 9, 14a, 18, and by adding a subdivision; 462A.06, subdivision 8; 462A.09; 462A.21, subdivision 4b, and by adding a subdivision; 462A.22, subdivisions 1 and 5; and 462C.07, subdivision 1; repealing Minnesota Statutes 1982, section 462A.22, subdivision 1a.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Vellenga moved that the House concur in the Senate amendments to H. F. No. 441 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 441, A bill for an act relating to the housing finance agency; increasing the maximum permissible return to certain mortgagors; increasing the maximum rehabilitation loan amount; combining certain bonding categories; clarifying other agency duties and powers; modifying certain duties and powers of issuers of local housing revenue bonds; amending Minnesota Statutes 1982, sections 462A.03, subdivision 13; 462A.05, subdivisions 4, 9, 14a and 18, and by adding a subdivision; 462A.06, subdivision 8; 462A.09; 462A.21, subdivision 4b, and by adding a subdivision; 462A.22, subdivisions 1 and 5; 462C.05, subdivision 7; and 462C.07, subdivision 1; repealing Minnesota Statutes 1982, section 462A.22, subdivision 1a.

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 99 yeas and 10 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Elioff	Kalis	Onnen	Shaver
Anderson, R.	Ellingson	Kelly	Osthoff	Shea
Battaglia	Evans	Knickerbocker	Otis	Sherrman
Beard	Findlay	Knuth	Pauly	Skoglund
Begich	Fjoslien	Kostohryz	Peterson	Sparby
Bennett	Forsythe	Krueger	Piepho	Swanson
Bergstrom	Graba	Larsen	Piper	Tomlinson
Blatz	Greenfield	Long	Price	Tunheim
Brandl	Gruenes	Mann	Quinn	Valan
Brinkman	Gustafson	Marsh	Quist	Valento
Burger	Gutknecht	McEachern	Riveness	Vanasek
Carlson, D.	Haukoos	McKasy	Rodosovich	Vellenga
Carlson, L.	Heap	Minne	Rodriguez, C.	Waltman
Clark, J.	Heinitz	Munger	Rodriguez, F.	Welch
Clawson	Himle	Murphy	St. Onge	Welle
Cohen	Hoberg	Nelson, K.	Sarna	Wenzel
Coleman	Hoffman	Neuenschwander	Schoenfeld	Wigley
Dempsey	Jensen	Ogren	Schreiber	Wynia
Dimler	Johnson	Olsen	Seaberg	Speaker Sieben
Eken	Kahn	Omann	Segal	

Those who voted in the negative were:

Erickson	Jennings	McDonald	Thiede	Welker
Frerichs	Ludeman	Sviggum	Uphus	Zaffke

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. 605, A bill for an act relating to education; requiring the higher education coordinating board to report its recommendations concerning credit transferability and institutional and program requirements; requiring reports to the legislature; providing that students shall be entitled to complete programs according to requirements as of the time the student began the program; amending Minnesota Statutes 1982, section 136A.042; proposing new law coded in Minnesota Statutes, chapter 136A.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Piepho moved that the House concur in the Senate amendments to H. F. No. 605 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 605, A bill for an act relating to education; requiring the higher education coordinating board to report its recommendations concerning credit transferability and institutional and program requirements; requiring reports to the legislature; providing that students shall be entitled to complete programs according to requirements as of the time the student began the program; amending Minnesota Statutes 1982, section 136A.042; proposing new law coded in Minnesota Statutes, chapter 136A.

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 115 yeas and 6 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Carlson, D.	Fjoslien	Jennings	Mann
Anderson, G.	Carlson, L.	Frerichs	Jensen	McDonald
Anderson, R.	Clark, J.	Graba	Johnson	McEachern
Battaglia	Clawson	Greenfield	Kalis	McKasy
Beard	Cohen	Gruenes	Kelly	Minne
Begich	Coleman	Gustafson	Knickerbocker	Munger
Bennett	Dempsey	Halberg	Knuth	Murphy
Bergstrom	Dimler	Haukoos	Kostohryz	Nelson, K.
Berkelman	Eken	Heinitz	Krueger	Norton
Bishop	Elhoff	Himle	Kvam	O'Connor
Blatz	Ellingson	Hoberg	Larsen	Ogren
Brandl	Erickson	Hoffman	Levi	Olsen
Brinkman	Evans	Hokr	Long	Omamn
Burger	Findlay	Jacobs	Ludeman	Onnen

Osthoff	Riveness	Seaberg	Staten	Vanasek
Otis	Rodosovich	Segal	Sviggum	Vellenga
Peterson	Rodriguez, C.	Shaver	Swanson	Waltman
Piepho	Rodriguez, F.	Shea	Thiede	Welch
Piper	St. Onge	Sherman	Tomlinson	Welle
Price	Sarna	Skoglund	Tunheim	Wenzel
Quinn	Scheid	Solberg	Uphus	Wigley
Quist	Schoenfeld	Sparby	Valan	Wynia
Rice	Schreiber	Stadum	Valento	Speaker Sieben

Those who voted in the negative were:

Forsythe	Rose	Schafer	Welker	Zaffke
Gutknecht				

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. 849, A bill for an act relating to state lands; authorizing the sale of a certain lakeshore lot in Douglas County.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Fjoslien moved that the House concur in the Senate amendments to H. F. No. 849 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 849, A bill for an act relating to state lands; authorizing the sale of a certain lakeshore lot in Douglas 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 125 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Berkelman	Clark, J.	Elioff	Graba
Anderson, G.	Bishop	Clark, K.	Ellingson	Greenfield
Anderson, R.	Blatz	Clawson	Erickson	Gruenes
Battaglia	Brandl	Cohen	Evans	Gustafson
Beard	Brinkman	Coleman	Findlay	Gutknecht
Begich	Burger	Dempsey	Fjoslien	Halberg
Bennett	Carlson, D.	Dimler	Forsythe	Haukoos
Bergstrom	Carlson, L.	Eken	Frerichs	Heap

Heinitz	Larsen	Omann	St. Onge	Swanson
Himle	Levi	Onnen	Sarna	Thiede
Hoberg	Long	Osthoff	Schafer	Tomlinson
Hoffman	Ludeman	Otis	Scheid	Tunheim
Hokr	Mann	Pauly	Schoenfeld	Uphus
Jacobs	McDonald	Peterson	Schreiber	Valan
Jennings	McEachern	Piepho	Seaberg	Valento
Jensen	McKasy	Piper	Segal	Vanasek
Johnson	Minne	Price	Shaver	Vellenga
Kahn	Munger	Quinn	Shea	Waltman
Kalis	Murphy	Quist	Sherman	Welch
Kelly	Nelson, K.	Rice	Skoglund	Welker
Knickerbocker	Neuenschwander	Riveness	Solberg	Welle
Knuth	Norton	Rodosovich	Sparby	Wenzel
Kostohryz	O'Connor	Rodriguez, C.	Stadum	Wigley
Krueger	Ogren	Rodríguez, F.	Staten	Wynia
Kvam	Olsen	Rose	Sviggum	Speaker Sieben

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. 159, A bill for an act relating to education; requiring school boards to adopt and review discipline policies including rules of conduct for pupils, and grounds and procedures for removal of pupils from class; amending Minnesota Statutes 1982, section 127.27, subdivision 2; proposing new law coded in Minnesota Statutes, chapter 127.

PATRICK E. FLAHAVER, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Rodriguez, C., moved that the House concur in the Senate amendments to H. F. No. 159 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 159, A bill for an act relating to education; requiring school boards to adopt and review discipline policies including rules of conduct for pupils, and grounds and procedures for removal of pupils from class; amending Minnesota Statutes 1982, section 127.27, subdivision 2; proposing new law coded in Minnesota Statutes, chapter 127.

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

The question was taken on the repassage of the bill and the roll was called. There were 112 yeas and 15 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Elioff	Knickerbocker	Otis	Sherman
Anderson, G.	Ellingson	Knuth	Pauly	Skoglund
Anderson, R.	Evans	Kostohryz	Peterson	Solberg
Battaglia	Findlay	Krueger	Piper	Sparby
Beard	Forsythe	Kvam	Price	Staten
Begich	Graba	Larsen	Quinn	Sviggum
Bennett	Greenfield	Levi	Quist	Swanson
Bergstrom	Gruenes	Long	Reif	Tomlinson
Berkelman	Gustafson	Mann	Rice	Tunheim
Bishop	Gutknecht	McEachern	Riveness	Valan
Blatz	Halberg	McKasy	Rodosovich	Valento
Brandt	Heap	Metzen	Rodriguez, C.	Vanasek
Brinkman	Heinitz	Minne	Rodriguez, F.	Vellenga
Burger	Himle	Munger	Rose	Waltman
Carlson, D.	Hoberg	Murphy	St. Onge	Welch
Carlson, L.	Hoffman	Nelson, K.	Sarna	Welle
Clark, J.	Hokr	Neuenschwander	Scheid	Wenzel
Clark, K.	Jacobs	Norton	Schoenfeld	Wigley
Clawson	Jensen	O'Connor	Schreiber	Wynia
Cohen	Johnson	Ogren	Seaberg	Speaker Sieben
Coleman	Kahn	Olsen	Segal	
Dimler	Kalis	Onnen	Shaver	
Eken	Kelly	Osthoff	Shea	

Those who voted in the negative were:

Dempsey	Frerichs	Ludeman	Piepho	Uphus
Erickson	Haukoos	McDonald	Schafer	Welker
Fjoslien	Jennings	Omann	Thiede	Zaffke

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. 904, A bill for an act relating to transportation; establishing collective rate-making procedure for motor vehicle carriers; proposing new law coded in Minnesota Statutes, chapter 221.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Anderson, G., moved that the House concur in the Senate amendments to H. F. No. 904 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 904, A bill for an act relating to transportation; establishing collective rate-making procedure for motor vehicle carriers; proposing new law coded in Minnesota Statutes, chapter 221.

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

The question was taken on the repassage of the bill and the roll was called. There were 94 yeas and 33 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Eken	Knuth	Osthoff	Sherman
Anderson, G.	Elioff	Kostohryz	Otis	Simoneau
Battaglia	Ellingson	Krueger	Peterson	Skoglund
Beard	Evans	Larsen	Piepho	Solberg
Begich	Graba	Levi	Piper	Sparby
Bennett	Greenfield	Long	Price	Staten
Bergstrom	Gruenes	Mann	Reif	Swanson
Berkelman	Gustafson	Marsh	Rice	Tomlinson
Blatz	Halberg	McEachern	Riveness	Tunheim
Brandl	Heap	McKasy	Rodosovich	Valan
Brinkman	Himle	Metzen	Rodriguez, F.	Vanasek
Carlson, D.	Hoffman	Minne	Rose	Vellenga
Carlson, L.	Jacobs	Munger	St. Onge	Welch
Clark, J.	Jennings	Murphy	Sarna	Welle
Clark, K.	Jensen	Nelson, K.	Scheid	Wenzel
Clawson	Kahn	Neuenschwander	Schoenfeld	Wigley
Cohen	Kalis	Norton	Schreiber	Wynia
Coleman	Kelly	Ogren	Segal	Speaker Sieben
Dempsey	Knickerbocker	Olsen	Shaver	

Those who voted in the negative were:

Anderson, R.	Forsythe	Johnson	Quinn	Uphus
Bishop	Frerichs	Kvam	Quist	Valento
Burger	Gutknecht	Ludeman	Schafer	Waltman
Dimler	Haukoos	McDonald	Seaberg	Welker
Erickson	Heinitz	O'Connor	Stadium	Zaffke
Findlay	Hoberg	Omman	Sviggum	
Fjoslien	Hokr	Onnen	Thiede	

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. 599, A bill for an act relating to labor; regulating fair labor standards record keeping; changing the civil and criminal penalties on employers for violations of the record keeping and posting requirements of the fair labor standards act; amending Minnesota Statutes 1982, sections 177.27, subdivision 2; 177.30; 177.31; and 177.32, subdivision 1.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Murphy moved that the House concur in the Senate amendments to H. F. No. 599 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 599, A bill for an act relating to labor; regulating fair labor standards record keeping; changing the civil and criminal penalties on employers for violations of the record keeping and posting requirements of the fair labor standards act; amending Minnesota Statutes 1982, sections 177.27, subdivision 2; 177.30; 177.31; and 177.32, 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 78 yeas and 50 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Ellingson	Marsh	Piper	Skoglund
Battaglia	Greenfield	McEachern	Price	Solberg
Beard	Gruenes	McKasy	Quinn	Sparby
Begich	Gustafson	Metzen	Rice	Staten
Bergstrom	Heap	Minne	Riveness	Swanson
Berkelman	Hoffman	Munger	Rodosovich	Tomlinson
Brandl	Jacobs	Murphy	Rodriguez, C.	Tunheim
Brinkman	Jensen	Nelson, D.	Rodriguez, F.	Vanasek
Carlson, L.	Kahn	Nelson, K.	St. Onge	Vellenga
Clark, J.	Kalis	Neuenschwander	Sarna	Welch
Clark, K.	Kelly	Norton	Scheid	Welle
Clawson	Knuth	O'Connor	Schoenfeld	Wenzel
Cohen	Kostohryz	Ogren	Segal	Wynia
Coleman	Larsen	Oisen	Shaver	Speaker Sieben
Eken	Long	Osthoff	Sherman	
Elioff	Mann	Otis	Simoneau	

Those who voted in the negative were:

Anderson, G.	Findlay	Hokr	Onnen	Stadum
Anderson, R.	Fjoslien	Jennings	Pauly	Sviggum
Bennett	Forsythe	Johnson	Piepho	Thiede
Bishop	Frerichs	Knickerbocker	Quist	Uphus
Blatz	Graha	Krueger	Reif	Valan
Burger	Gutknecht	Kvam	Rose	Valento
Dempsey	Halberg	Levi	Schafer	Waltman
Dimler	Haukoos	Ludeman	Schreiber	Welker
Erickson	Heinitz	McDonald	Seaberg	Wigley
Evans	Himle	Omann	Shea	Zaffke

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. 540, A bill for an act relating to crimes; creating the crimes of unlawfully obtaining services from a provider of regular route transit and unlawfully interfering with a transit operator while the operator is performing his or her duties; prohibiting disruptive behavior on a transit vehicle; providing penalties; proposing new law coded in Minnesota Statutes, chapter 609.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Clark, J., moved that the House concur in the Senate amendments to H. F. No. 540 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 540, A bill for an act relating to crimes; creating the crimes of unlawfully obtaining services from a provider of regular route transit and unlawfully interfering with a transit operator while the operator is performing his or her duties; prohibiting disruptive behavior on a transit vehicle; providing penalties; proposing new law coded in Minnesota Statutes, chapter 609.

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:

Anderson, B.	Eken	Jacobs	Minne	Riveness
Anderson, C.	Elioff	Jennings	Munger	Rodosovich
Anderson, R.	Ellingson	Jensen	Murphy	Rodriguez, C.
Battaglia	Erickson	Johnson	Nelson, D.	Rodriguez, F.
Beard	Evans	Kahn	Nelson, K.	Rose
Begich	Findlay	Kalis	Neuenschwander	St. Onge
Bennett	Fjoslien	Kelly	Norton	Sarna
Bergstrom	Forsythe	Knickerbocker	O'Connor	Schafer
Berkelman	Frerichs	Knuth	Ogren	Scheid
Bishop	Graba	Kostohryz	Olsen	Schoenfeld
Blatz	Greenfield	Krueger	Omann	Schreiber
Brandl	Gruenes	Kvam	Onnen	Seaberg
Brinkman	Gustafson	Larsen	Osthoff	Segal
Burger	Gutknecht	Levi	Otis	Shaver
Carlson, L.	Halberg	Long	Pauly	Shea
Clark, J.	Haukoos	Ludeman	Piepho	Sherman
Clark, K.	Heap	Mann	Piper	Simoneau
Clawson	Heinitz	Marsh	Price	Skoglund
Cohen	Himle	McDonald	Quinn	Solberg
Coleman	Hoberg	McEachern	Quist	Sparby
Dempsey	Hoffman	McKasy	Reif	Stadum
Dimler	Hokr	Metzen	Rice	Staten

Swiggum	Tunheim	Vanasek	Welker	Wynia
Swanson	Uphus	Vellenga	Welle	Zaffke
Thiede	Valan	Waltman	Wenzel	Speaker Sieben
Tomlinson	Valento	Welch	Wigley	

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. 74, A bill for an act relating to notaries public; increasing the fees they may charge; amending Minnesota Statutes 1982, section 357.17.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Brandl moved that the House concur in the Senate amendments to H. F. No. 74 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 74, A bill for an act relating to notaries public; increasing the fees they may charge; amending Minnesota Statutes 1982, section 357.17.

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:

Anderson, B.	Clawson	Cutknecht	Kostohryz	Neuenschwander
Anderson, G.	Cohen	Halberg	Krueger	Norton
Anderson, R.	Coleman	Haukoos	Kvam	O'Connor
Baitaglia	Dempsey	Heap	Larsen	Ogren
Beard	Dimler	Heinitz	Levi	Olsen
Begich	Eken	Himle	Long	Omann
Bennett	Elioff	Hoberg	Ludeman	Onnen
Bergstrom	Ellingson	Hoffman	Mann	Osthoff
Berkelman	Erickson	Hokr	Marsh	Otis
Bishop	Evans	Jacobs	McDonald	Pauly
Blatz	Findlay	Jennings	McEachern	Piepho
Brandl	Fjoslien	Jensen	McKasy	Piper
Brinkman	Forsythe	Johnson	Metzen	Price
Burger	Frerichs	Kahn	Minne	Quinn
Carlson, D.	Graba	Kalis	Munger	Quist
Carlson, L.	Greenfield	Kelly	Murphy	Reif
Clark, J.	Gruenes	Knickerbocker	Nelson, D.	Rice
Clark, K.	Gustafson	Knuth	Nelson, K.	Riveness

Rodosovich	Schoenfeld	Solberg	Tunheim	Welker
Rodriguez, C.	Schreiber	Sparby	Uphus	Welle
Rodriguez, F.	Segal	Stadum	Valan	Wenzel
Rose	Shaver	Staten	Valento	Wigley
St. Onge	Shea	Sviggum	Vanasek	Wynia
Sarna	Sherman	Swanson	Vellenga	Zaffke
Schafer	Simoneau	Thiede	Waltman	Speaker Sieben
Scheid	Skoglund	Tomlinson	Weich	

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. 31, A bill for an act relating to veterans affairs; prohibiting searches at the Minnesota veterans home except under criminal warrant; proposing new law coded in Minnesota Statutes, chapter 198.

PATRICK E. FLAHAVER, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Skogiund moved that the House concur in the Senate amendments to H. F. No. 31 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 31, A bill for an act relating to veterans affairs; prohibiting searches at the Minnesota veterans home except under criminal warrant; proposing new law coded in Minnesota Statutes, chapter 198.

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 1 nay as follows:

Those who voted in the affirmative were:

Anderson, B.	Blatz	Coleman	Frerichs	Himle
Anderson, G.	Brandl	Dempsey	Graba	Hoberg
Anderson, R.	Briukman	Eken	Greenfield	Hoffman
Battaglia	Burger	Elioff	Gruenes	Jacobs
Beard	Carlson, D.	Ellingson	Gustafson	Jennings
Begich	Carlson, L.	Erickson	Gutknecht	Jensen
Bennett	Clark, J.	Evans	Halberg	Johnson
Bergstrom	Clark, K.	Findlay	Haukoos	Kahn
Berkelman	Clawson	Fjoslien	Heap	Kalis
Bishop	Cohen	Forsythe	Heinitz	Kelly

Knickerbocker	Murphy	Price	Seaberg	Uphus
Knuth	Nelson, D.	Quinn	Segal	Valan
Kostohryz,	Nelson, K.	Quist	Shaver	Valento
Krueger	Neuenschwander	Reif	Shea	Vanasek
Kvam	Norton	Rice	Sherman	Vellenga
Larsen	O'Connor	Riveness	Simoneau	Waltman
Levi	Ogren	Rodosovich	Skoglund	Welch
Long	Olsen	Rodriguez, C.	Solberg	Welle
Ludeman	Omann	Rodriguez, F.	Sparby	Wenzel
Mann	Onnen	Rose	Stadum	Wigley
McDonald	Osthoff	St. Onge	Straten	Wynia
McEachern	Otis	Sarna	Sviggum	Zaifke
McKasy	Pauly	Schafer	Swanson	Speaker Sieben
Metzen	Peterson	Scheid	Thiede	
Minne	Piepho	Schoenfeld	Tomlinson	
Munger	Piper	Schreiber	Tunheim	

Those who voted in the negative were:

Welker

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. 149, A bill for an act relating to natural resources; clarifying the hunting of certain animals with dogs; amending Minnesota Statutes 1982, section 98.46, subdivision 2.

PATRICK E. FLAHAVEN, Secretary of the Senate

Sviggum moved that the House refuse to concur in the Senate amendments to H. F. No. 149, 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 Senate Files, herewith transmitted:

S. F. Nos. 214, 297 and 412.

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. 527 and 682.

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. 683 and 824.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

S. F. No. 911.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

S. F. No. 845.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

S. F. No. 881.

PATRICK E. FLAHAVEN, Secretary of the Senate

The Speaker called Wynia to the Chair.

FIRST READING OF SENATE BILLS

S. F. No. 214, A bill for an act relating to traffic regulations; requiring the use of seat belts by motor vehicle passengers; pro-

hibiting a surcharge for failure to use seat belts; requiring insurers to reduce premium rates if claim amounts are reduced; amending Minnesota Statutes 1982, sections 65B.133, subdivision 5; and 169.685, by adding subdivisions.

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

S. F. No. 297, A bill for an act relating to criminal justice; requiring peace officers to make arrests based on probable cause in cases of domestic assault; requiring peace officers to notify victims of domestic assault of the legal remedies available; amending Minnesota Statutes 1982, section 629.341; and Laws 1983, chapter 52, by adding a section.

The bill was read for the first time.

Coleman moved that S. F. No. 297 and H. F. No. 532, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 412, A bill for an act relating to corrections; providing for the supervision and control of parolees and persons on supervised release by the commissioner of corrections; removing the limitation on contracts for temporary detention of pre-trial detainees; transferring functions and powers of the corrections board to the commissioner of corrections; providing for reimbursement of foster care costs for delinquent juveniles; adjusting the duration of certain sentences; defining second or subsequent violation or offense; providing for administration of Ramsey county corrections services; amending Minnesota Statutes 1982, sections 241.26, subdivisions 1, 3, and 4; 243.05; 243.51, subdivision 3; 244.04, subdivision 1; 244.05; 244.06; 244.065; 244.09, subdivision 11; 260.251, subdivision 1a; 383A.-28, subdivision 2; 609.02, by adding a subdivision; 609.11, subdivision 6; Laws 1923, chapter 289, sections 1, as amended; and 2, as amended; proposing new law coded in chapter 383A; repealing Minnesota Statutes 1982, sections 241.045; 243.07; 243.-09; 243.10; 243.12; and 243.14.

The bill was read for the first time.

Staten moved that S. F. No. 412 and H. F. No. 594, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 527, A bill for an act relating to legal liability; prohibiting retaliation against an individual who complies with the child abuse reporting act; providing damages for retaliation; clarifying immunity provisions for good faith compliance with the child abuse reporting act; amending Minnesota Statutes 1982, section 626.556, subdivision 4, and by adding a subdivision.

The bill was read for the first time.

Riveness moved that S. F. No. 527 and H. F. No. 536, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 682, A bill for an act relating to animals; providing for the welfare of certain pets and companion animals; imposing a penalty; proposing new law coded in Minnesota Statutes, chapter 346.

The bill was read for the first time.

Osthoff moved that S. F. No. 682 and H. F. No. 929, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 683, A bill for an act relating to education; prohibiting certain licenses for teachers; proposing new law coded in Minnesota Statutes, chapter 125.

The bill was read for the first time.

McEachern moved that S. F. No. 683 and H. F. No. 643, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 824, A bill for an act relating to the city of Minneapolis; abolishing the office of comptroller-treasurer in the city of Minneapolis; authorizing the reorganization, reallocation, consolidation, and delegation of the functions of the office; restructuring the board of estimate and taxation in the city of Minneapolis; changing the membership and terms of members of the retirement board; amending Minnesota Statutes 1982, sections 422A.02; and 422A.03, subdivision 3.

The bill was read for the first time.

Skoglund moved that S. F. No. 824 and H. F. No. 818, now on Special Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 911, A bill for an act relating to utilities; specifying the commission's authority over the availability of submetering; amending Minnesota Statutes 1982, section 216B.02, subdivision 4, and by adding a subdivision; proposing new law coded in Minnesota Statutes, chapter 216B.

The bill was read for the first time.

O'Connor moved that S. F. No. 911 and H. F. No. 854, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 845, A bill for an act relating to tort liability; providing for parallel exceptions for unimproved property of the state and municipalities; amending Minnesota Statutes 1982, section 466.03, by adding a subdivision.

The bill was read for the first time.

Carlson, L., moved that S. F. No. 845 and H. F. No. 847, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 881, A bill for an act relating to local and urban government; providing for the inventory, classification, and protection of aggregate deposits or resources within the state; proposing new law coded in Minnesota Statutes, chapter 84.

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

CONSIDERATION UNDER RULE 1.10

Pursuant to rule 1.10, Rice requested immediate consideration of S. F. Nos. 372, 1198 and 892.

S. F. No. 372, 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 125 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Clawson	Gutknecht	Knuth	Nelson, D.
Anderson, G.	Cohen	Halberg	Kostohryz	Nelson, K.
Anderson, R.	Coleman	Haukoos	Krueger	Neuenschwander
Battaglia	Dempsey	Heap	Kvam	Norton
Beard	Dimler	Heinitz	Larsen	O'Connor
Begich	Elioff	Himle	Levi	Ogren
Bennett	Ellingson	Hoberg	Long	Olsen
Bergstrom	Erickson	Hoffman	Ludeman	Omann
Berkeiman	Evans	Hokr	Mann	Onnen
Bishop	Findlay	Jacobs	Marsh	Osthoff
Blatz	Fjostien	Jennings	McDonald	Otis
Brandl	Forsythe	Jensen	McEachern	Pauly
Brinkman	Frerichs	Johnson	McKasy	Peterson
Burger	Graba	Kahn	Metzen	Piepho
Carlson, L.	Greenfield	Kalis	Minne	Piper
Clark, J.	Gruenes	Kelly	Munger	Price
Clark, K.	Gustafson	Knickerbocker	Murphy	Quinn

Quist	St. Onge	Shaver	Thiede	Welch
Reif	Sarna	Sherman	Tomlinson	Welker
Rice	Schafer	Skoglund	Tunheim	Welle
Riveness	Scheid	Solberg	Uphus	Wenzel
Rodosovich	Schoenfeld	Sparby	Valan	Wigley
Rodriguez, C.	Schreiber	Stadum	Valento	Wynia
Rodriguez, F.	Seaberg	Staten	Vellenga	Zaffke
Rose	Segal	Swanson	Waltman	Speaker Sieben

The bill was passed and its title agreed to.

The Speaker resumed the Chair.

S. F. No. 1198, A bill for an act relating to state government; providing for deficiencies in appropriations for the expenses of state government with certain conditions; 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 122 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Evans	Knickerbocker	Otis	Simoneau
Anderson, G.	Findlay	Knuth	Pauly	Skoglund
Anderson, R.	Fjoslien	Kostohryz	Peterson	Solberg
Battaglia	Forsythe	Krueger	Piepho	Sparby
Beard	Frerichs	Kvam	Piper	Stadum
Begich	Graba	Larsen	Price	Sviggum
Bennett	Greenfield	Levi	Quinn	Swanson
Bergstrom	Gruenes	Long	Quist	Thiede
Berkelman	Gustafson	Ludeman	Reif	Tunheim
Bishop	Gutknecht	Mann	Rice	Uphus
Blatz	Halberg	Marsh	Riveness	Valan
Brinkman	Haukoos	McDonald	Rodosovich	Valento
Burger	Heap	McEachern	Rodriguez, C.	Vellenga
Carlson, D.	Heinitz	McKasy	Rodriguez, F.	Waltman
Carlson, L.	Himle	Metzen	Rose	Welch
Clark, J.	Hoberg	Minne	St. Onge	Welker
Clark, K.	Hoffman	Murphy	Sarna	Welle
Clawson	Hokr	Nelson, D.	Schafer	Wenzel
Cohen	Jacobs	Nelson, K.	Scheid	Wigley
Coleman	Jennings	Neuenschwander	Schoenfeld	Wynia
Dempsey	Jensen	Norton	Seaberg	Zaffke
Dimler	Johnson	Ogren	Segal	Speaker Sieben
Elioff	Kahn	Omann	Shaver	
Ellingson	Kalis	Onnen	Shea	
Erickson	Kelly	Osthoff	Sherman	

The bill was passed and its title agreed to.

S. F. No. 892 was reported to the House.

Berkelman moved to amend S. F. No. 892, as follows:

Delete everything after the enacting clause and insert:

"Section 1. [62H.01] [JOINT SELF-INSURANCE EMPLOYEE HEALTH PLAN.]

Any three or more employers, excluding the state and its political subdivisions as described in 471.617, subdivision 1, who are authorized to transact business in Minnesota may jointly self-insure employee health, dental, or short term disability benefits. Joint plans must have a minimum of 100 covered employees and meet all conditions and terms of sections 1 to 8.

Sec. 2. [62H.02] [REQUIRED PROVISIONS.]

A joint self-insurance plan must include aggregate excess stop-loss coverage and individual excess stop-loss coverage provided by an insurance company licensed by the state of Minnesota. Aggregate excess stop-loss coverage must include provisions to cover incurred, unpaid claim liability in the event of plan termination. The excess or stop-loss insurer must bear the risk of coverage for any member of the pool which becomes insolvent with outstanding contribution due. In addition, the plan of self-insurance must have participating employers fund an amount at least equal to the point at which the excess or stop-loss insurer must assume 100 percent of additional liability. A joint self-insurance plan must submit its proposed excess or stop-loss insurance contract to the commissioner of insurance at least 30 days prior to the proposed plan's effective date and at least 30 days subsequent to any renewal date. The commissioner shall review the contract to determine if they meet the standards established by this act and respond within a 30-day period. Any excess or stop-loss insurance plan must be non-cancellable for a minimum term of two years.

Sec. 3. [62H.03] [MARKETING, RISK MANAGEMENT, OR ADMINISTRATIVE SERVICES.]

No joint self-insurance plan may offer marketing, risk management, or administrative service unless these services are provided by vendors duly licensed by the commissioner to provide these services. No vendor of these services may be a trustee of any joint self-insurance plan for which they provide marketing, risk management, or administrative services.

Sec. 4. [62H.04] [COMPLIANCE WITH OTHER LAWS.]

A joint self-insurance plan shall be subject to the requirements of chapter 62A and sections 72A.17 to 72A.35 unless otherwise specifically exempt. A joint self-insurance plan must not offer less than a number two qualified plan or its actuarial equivalent.

Sec. 5. [62H.05] [MANAGEMENT OF FUNDS.]

Funds collected from the participating employers under joint self-insurance plans must be held in trust subject to the following requirements:

(a) *A board of trustees elected by participating employers shall serve as fund managers on behalf of participants. Trustees must be plan participants. No participating employer may be represented by more than one trustee. A minimum of three and a maximum of seven trustees may be elected. Trustees shall receive no remuneration, but they may be reimbursed for actual and reasonable expenses incurred in connection with duties as trustees.*

(b) *Trustees shall be bonded in an amount not less than \$100,000 or no more than \$500,000 from a licensed bonding company.*

(c) *Investment of plan funds is subject to the same restrictions as are applicable to political subdivisions pursuant to section 475.66. All investments must be managed by a bank or other investment organization licensed to operate in Minnesota.*

(d) *Trustees, on behalf of the fund, shall file annual reports with the commissioner of insurance within 30 days immediately following the end of each calendar year. The reports must summarize the financial condition of the fund, itemize collection from participating employers, and detail all fund expenditures.*

Sec. 6. [62H.06] [REGULATION OF PLANS BY COMMISSIONER.]

The commissioner of insurance shall promulgate rules, including temporary rules, to insure the solvency and operation of all self insured plans subject to this chapter. The commissioner may examine the joint self-insurance plans pursuant to sections 60A.03 and 60A.031.

Sec. 7. [62H.07] [REVENUE FEE.]

A joint self-insurance plan shall pay a two percent revenue fee. This revenue must be computed based on two percent of the paid claims level for the most recently completed calendar year. This revenue must be deposited in the general fund.

Sec. 8. [62H.08] [EXEMPT PLANS.]

Any homogenous joint employer plan providing group health benefits which was in existence prior to March 1, 1983, and which is (a) associated with, organized by, or sponsored by an

association which is exempt from the corporate income tax pursuant to section 501(c)(6) of the Internal Revenue Code of 1954, as amended through December 31, 1982, and (b) controlled by a board of trustees, a majority of whom are members of the association, is exempt from sections 1 to 8.

Sec. 9. [EFFECTIVE DATE.]

Section 6 is effective the day after final enactment. Sections 1 to 5 and 7 are effective January 1, 1984."

Delete the title and insert:

"A bill for an act relating to insurance; authorizing the establishment of joint self-insurance employee health plans; providing administrative, trust, bonding, investment and reporting requirements; establishing a revenue fee; proposing new law coded as Minnesota Statutes, chapter 62H."

The motion prevailed and the amendment was adopted.

Swanson moved to amend S. F. No. 892, as amended, as follows:

Page 2, after line 12, insert:

"Any joint self-insurance plan established under this section must maintain the minimum capital and surplus requirements for health insurers as specified in Minnesota Statutes 60A.07, subdivision 5b, or post a bond with the Commissioner of Insurance in an equal amount."

A roll call was requested and properly seconded.

The question was taken on the amendment and the roll was called. There were 96 yeas and 23 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Ellingson	Jacobs	Nelson, D.	Riveness
Anderson, G.	Erickson	Jennings	Nelson, K.	Rodosovich
Beard	Evans	Jensen	O'Connor	Rodriguez, C.
Bennett	Findlay	Johnson	Ogren	Rodriguez, F.
Bishop	Fjoslien	Kahn	Olson	Rose
Blatz	Forsythe	Kalis	Omann	St. Onge
Brandl	Greenfield	Kelly	Onnen	Sarna
Brinkman	Gruenes	Knickerbocker	Otis	Schafer
Burger	Halberg	Knuth	Pauly	Seaberg
Carlson, L.	Haukoos	Kostohryz	Peterson	Segal
Clark, J.	Heap	Krueger	Piepho	Shaver
Clark, K.	Heinitz	Kvam	Price	Shea
Cohen	Himle	Larsen	Quinn	Simoneau
Coleman	Hoberg	Levi	Quist	Skoglund
Dempsey	Hoffman	Long	Reif	Sparby
Eken	Hokr	McKasy	Rice	Staten

Swiggum	Tunheim	Vanasek	Wenzel	Wynia
Swanson	Uphus	Vellenga	Wigley	Speaker Sieben
Thiede	Valan	Waltman		
Tomlinson	Valento	Welch		

Those who voted in the negative were:

Battaglia	Graba	Marsh	Piper	Welker
Begich	Gustafson	McDonald	Schoenfeld	Welle
Berkelman	Gutknecht	Munger	Sherman	Zaffke
Dimler	Ludeman	Murphy	Solberg	
Elioff	Mann	Neuenschwander	Stadium	

The motion prevailed and the amendment was adopted.

Neuenschwander moved to amend S. F. No. 892, as amended, as follows:

Page 3, line 29, after "plan" insert ", established under ERISA guidelines,"

Page 3, line 30, after "benefits" insert a comma

Page 3, line 31, delete "(a)"; after the first comma insert "or"; delete "by,"; after "by" insert a comma

Page 3, line 32, delete "which is"; delete "the corporate income tax"

Page 3, delete line 33

Page 3, line 34, delete "1954, as amended through December 31, 1982, and (b)" and insert "taxation under United States Code, title 26, section 501(c) (6), and"

Page 3, line 36, delete "sections 1 to 8" and insert "the requirements of this act and the insurance laws of this state"

A roll call was requested and properly seconded.

The question was taken on the amendment and the roll was called. There were 63 yeas and 58 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Eken	Heinitz	Ludeman	Piepho
Anderson, G.	Elioff	Himle	Marsh	Quist
Battaglia	Evans	Hoffman	McDonald	Rice
Beard	Findlay	Jacobs	McEachern	St. Onge
Begich	Fjoslien	Jennings	Neuenschwander	Sarna
Bergstrom	Forsythe	Johnson	O'Connor	Schafer
Bishop	Frerichs	Knickerbocker	Ogren	Seaberg
Burger	Graba	Krueger	Olsen	Shaver
Clark, K.	Gutknecht	Kvam	Omann	Shea
Dimler	Heap	Levi	Onuen	Sinoneau

Solberg	Tunheim	Valento	Welker	Zaffke
Sparby	Uphus	Vanasek	Wenzel	
Thiede	Valan	Waltman	Wigley	

Those who voted in the negative were:

Anderson, R.	Greenfield	Larsen	Peterson	Skoglund
Bennett	Gruenes	Long	Piper	Staten
Berkelman	Gustafson	Mann	Price	Swiggum
Blatz	Haukoos	McKasy	Reif	Swanson
Brandl	Hoberg	Minne	Riveness	Tomlinson
Brinkman	Hokr	Munger	Rodosovich	Vellenga
Carlson, L.	Jensen	Murphy	Rodriguez, C.	Welch
Clark, J.	Kahn	Nelson, D.	Rodriguez, F.	Welle
Cohen	Kalis	Nelson, K.	Rose	Wynia
Coleman	Kelly	Norton	Scheid	Speaker Sieben
Ellingson	Knuth	Osthoff	Segal	
Erickson	Kostobryz	Otis	Sherman	

The motion prevailed and the amendment was adopted.

S. F. No. 892, A bill for an act relating to insurance; authorizing the establishment of joint self-insurance employee health plans; providing administrative, trust, bonding, investment, and reporting requirements; establishing a quarterly revenue fee; proposing new law coded as Minnesota Statutes, chapter 62H.

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 3 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Erickson	Kelly	Olsen	Sherman
Anderson, G.	Evans	Knuth	Omman	Simoneau
Anderson, R.	Findlay	Kostobryz	Onnen	Solberg
Battaglia	Fjoslien	Krueger	Osthoff	Sparby
Beard	Forsythe	Kvam	Otis	Stadum
Begich	Frerichs	Larsen	Peterson	Staten
Bennett	Graba	Levi	Piepho	Swiggum
Bergstrom	Greenfield	Long	Piper	Swanson
Berkelman	Gruenes	Ludeman	Price	Thiede
Bishop	Gustafson	Mann	Quist	Tomlinson
Blatz	Gutknecht	Marsh	Reif	Tunheim
Brandl	Halberg	McDonald	Rice	Uphus
Brinkman	Haukoos	McEachern	Riveness	Valan
Burger	Heinitz	McKasy	Rodosovich	Valento
Carlson, D.	Himle	Metzen	Rodriguez, C.	Vanasek
Carlson, L.	Hoberg	Minne	Rodriguez, F.	Vellenga
Clark, J.	Hoffman	Munger	Rose	Waltman
Clark, K.	Hokr	Murphy	St. Onge	Welch
Cohen	Jacobs	Nelson, D.	Sarna	Welle
Coleman	Jennings	Nelson, K.	Schafer	Wenzel
Dimler	Jensen	Neuenschwander	Seaberg	Wigley
Eken	Johnson	Norton	Segal	Wynia
Elihoff	Kahn	O'Connor	Shaver	Zaffke
Ellingson	Kalis	Ogren	Shea	Speaker Sieben

Those who voted in the negative were:

Knickerbocker Quinn Skoglund

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

SPECIAL ORDERS

The Speaker called Wynia to the Chair.

S. F. No. 463 was reported to the House.

Schreiber; Gruenes; Jacobs; Rose; Marsh; Scheid; Valento; Rodriguez, C.; Halberg; Ellingson; Minne; Hoberg; Olsen; Swanson; Forsythe; Piepho; Hokr; Heap; Voss; Simoneau; Reif and Segal moved to amend S. F. No. 463, as follows:

Page 1, after line 12, insert:

"Section 1. Minnesota Statutes 1982, section 458.09, subdivision 1, is amended to read:

Subdivision 1. A commission to be known as "Port Authority of _____" is hereby established in and for every city of the first class *or second class, however organized*, situated upon, or adjacent to, or embracing within its boundaries, in whole or in part, a port or harbor located on a navigable lake or stream. Sections 458.09 to 458.19 are expressly declared to be applicable to all such cities. Those port authorities now or hereafter having jurisdiction over harbors located on the Great Lakes-St. Lawrence seaway system shall be known and are referred to in sections 458.09 to 458.19 as seaway port authorities. A port authority shall be a body politic and corporate in the state of Minnesota with the right to sue and be sued in the names above designated. A port authority shall also be considered a governmental subdivision within the meaning of section 282.01. The exercise by any such authority or commission of any of its powers shall be deemed and held to be essential governmental functions of the state of Minnesota, but any such authority shall not be immune from liability by reason thereof."

Renumber remaining sections in sequence

Page 3, after line 24, insert:

"Sec. 8. Minnesota Statutes 1982, section 458.199, is amended to read:

458.199 [CITY OF FIRST CLASS OR SECOND CLASS MAY LEVY TAXES FOR BENEFIT OF PORT AUTHORITY.]

To enable such port authority efficiently and in the public interest to carry out the aims and purposes of Laws 1957, Chapter 812, in the creation and development of industrial development districts as herein provided, any such city of the first class or *second class* in which such port authority has been created and is existing shall have the power, upon request of such port authority and in addition to all other powers now possessed thereby, and in addition to and in excess of any limitation upon the amount it is otherwise permitted by law to levy as taxes, to levy taxes for the benefit of and for expenditure by such port authority, not exceeding in any one year an amount equal to 7/60 of one mill upon the dollar of the assessed valuation thereof, upon all the taxable property in such city, excluding money and credits; and any money levied for such purpose shall be paid over by the county treasurer to the treasurer of the port authority for expenditure by it as in its judgment best serves the public interest in the carrying on and the execution of its duties in the creation and development of such industrial development districts. The levy herein provided shall be in addition to that provided for in Minnesota Statutes, Section 458.14."

Renumber remaining section

Further, amend the title as follows:

Page 1, line 2, after the semicolon insert "establishing port authorities for cities of the second class"

Page 1, line 7, after sections insert "458.09, subdivision 1;"

Page 1, line 9, delete the second "and"

Page 1, line 10, before the period insert "; and 458.199"

A roll call was requested and properly seconded.

Welker moved to amend the Schreiber et al. amendment to S. F. No. 463, as follows:

Page 1, line 8, delete "*second class*" and insert "*any other municipality*"

Page 2, line 11, delete "*second class*" and insert "*any other municipality*"

Page 2, line 31, delete "*second class*" and insert "*any other municipality*"

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 31 yeas and 86 nays as follows:

Those who voted in the affirmative were:

Battaglia	Haukoos	Neuenschwander	Solberg	Wenzel
Begich	Hoberg	Onnen	Sviggum	Wynia
Carlson, D.	Jennings	Otis	Thiede	Zaffke
Dempsey	Jensen	Piepho	Valan	
Ellingson	Johnson	Quist	Valento	
Frerichs	Ludeman	Schafer	Waltman	
Gutknecht	McDonald	Schoenfeld	Welker	

Those who voted in the negative were:

Anderson, B.	Eken	Knickerbocker	Ogren	Sherman
Anderson, G.	Findlay	Kostohryz	Olsen	Simoneau
Beard	Fjoslien	Krueger	Omamn	Skoglund
Bennett	Forsythe	Kvam	Osthoff	Sparby
Bergstrom	Graba	Larsen	Pauly	Staten
Berkelman	Greenfield	Levi	Peterson	Swanson
Bishop	Gruenes	Long	Piper	Tomlinson
Blatz	Gustafson	Mann	Quinn	Tunheim
Brandl	Halberg	Marsh	Rice	Uphus
Brinkman	Heap	McEachern	Rodosovich	Vanasek
Burger	Heinitz	McKasy	Rodriguez, C.	Vellenga
Carlson, L.	Himle	Metzen	Rodriguez, F.	Welle
Clark, J.	Hoffman	Minne	St. Onge	Wigley
Clark, K.	Hokr	Munger	Sarna	Speaker Sieben
Clawson	Jacobs	Nelson, D.	Schreiber	
Cohen	Kahn	Nelson, K.	Seaberg	
Coleman	Kalis	Norton	Segal	
Dimler	Kelly	O'Connor	Shaver	

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

Dempsey and Haukoos moved to amend the Schreiber et al. amendment to S. F. No. 463, as follows:

Page 1, line 8, after "first" strike "class" and delete "or" and after "second" delete "class" and insert "*or third class cities*"

Page 2, line 11, after "first" strike "class" and delete "or" and after "second" delete "class" and insert "*or third class cities*"

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 64 yeas and 58 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Begich	Bishop	Brinkman	Dempsey
Battaglia	Bennett	Blatz	Carlson, D.	Dimler

Elioff	Heinitz	Mann	Quist	Thiede
Ellingson	Himle	McDonald	Rose	Uphus
Erickson	Hoberg	McKasy	St. Onge	Valan
Evans	Jennings	Munger	Schafer	Valento
Fjoslien	Jensen	Neuenschwander	Scheid	Waltman
Frerichs	Johnson	Ogren	Schoenfeld	Welker
Gruenes	Kostohryz	Omann	Seaberg	Wenzel
Gutknecht	Kvam	Onnen	Shea	Wigley
Halberg	Larsen	Otis	Solberg	Wynia
Haukoos	Levi	Pauly	Stadum	Zaffke
Heap	Ludeman	Piepho	Sviggum	

Those who voted in the negative were:

Anderson, B.	Coleman	Long	Peterson	Simoneau
Anderson, G.	Eken	Marsh	Piper	Skoglund
Beard	Findlay	McEachern	Quinn	Sparby
Bergstrom	Greenfield	Metzen	Reif	Swanson
Berkelman	Gustafson	Minne	Rice	Tunheim
Brandl	Hoffman	Murphy	Rodosovich	Vanasek
Burger	Jacobs	Nelson, D.	Rodriguez, C.	Vellenga
Carlson, L.	Kahn	Nelson, K.	Rodriguez, F.	Welch
Clark, J.	Kalis	Norton	Sarna	Welle
Clark, K.	Kelly	O'Connor	Segal	Speaker Sieben
Clawson	Knickerbocker	Olsen	Shaver	
Cohen	Krueger	Osthoff	Sherman	

The motion prevailed and the amendment to the amendment was adopted.

Kahn moved to amend the Schreiber et al. amendment, as amended, as follows:

Page 1, line 8, after "organized" delete "," and strike "situated"

Page 1, strike lines 9 and 10

Page 1, line 11, strike "or stream"

Cohen moved that S. F. No. 463 be continued on Special Orders for one day. The motion prevailed.

Stadum was excused for the remainder of today's session.

S. F. No. 398 was reported to the House.

Clawson moved to amend S. F. No. 398, the first engrossment, as follows:

Page 4, line 10, before "Except" insert "(a) Where federal law prohibits the furnishing of patient identifying information, no reports shall be transmitted unless the vulnerable adult has signed a written release that conforms to federal requirements. (b)"

The motion prevailed and the amendment was adopted.

S. F. No. 398, A bill for an act relating to vulnerable adults; refining the Vulnerable Adults Reporting Act; specifying reporting requirements; specifying access to reports; preventing record destruction; amending Minnesota Statutes 1982, section 626.557, subdivisions 2, 3, 4, 10, 12, 14, and by adding a subdivision; repealing Minnesota Statutes 1982, section 626.557, subdivision 12a.

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 0 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Elioff	Johnson	Olsen	Shea
Anderson, C.	Ellingson	Kahn	Omann	Sherman
Anderson, R.	Erickson	Kalis	Onnen	Simoneau
Battaglia	Evans	Kelly	Osthoff	Skoglund
Beard	Findlay	Knickerbocker	Otis	Solberg
Begich	Fjoslien	Kostohryz	Pauly	Sparby
Bennett	Forsythe	Krueger	Peterson	Staten
Bergstrom	Frerichs	Kvam	Piepho	Swiggum
Berkelman	Graba	Larsen	Piper	Swanson
Bishop	Greenfield	Levi	Price	Tomlinson
Blatz	Gruenes	Long	Quist	Tunheim
Brandl	Gustafson	Ludeman	Rice	Uphus
Brinkman	Gutknecht	Mann	Rodosovich	Valan
Burger	Halberg	McDonald	Rodriguez, C.	Valento
Carlson, D.	Haukoos	McEachern	Rodriguez, F.	Vellenga
Carlson, L.	Heap	McKasy	Rose	Waltman
Clark, J.	Heinitz	Minne	St. Onge	Welch
Clark, K.	Himle	Munger	Sarna	Welker
Clawson	Hoberg	Murphy	Schafer	Welle
Cohen	Hoffman	Nelson, D.	Scheid	Wenzel
Coleman	Hokr	Nelson, K.	Schoenfeld	Wigley
Dempsey	Jacobs	Neuenschwander	Schreiber	Wynia
Dimler	Jennings	Norton	Seaberg	Zaffke
Eken	Jensen	O'Connor	Segal	Speaker Sieben

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

S. F. No. 927, A bill for an act relating to Independent School District No. 709; providing for withdrawal of clerical workers from civil service; amending Laws 1967, chapter 252, section 2, 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 115 yeas and 4 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Elioff	Kahn	Omana	Shaver
Anderson, G.	Ellingson	Kalis	Onnen	Shea
Anderson, R.	Erickson	Kelly	Osthoff	Sherman
Battaglia	Evans	Knickerbocker	Otis	Simoneau
Beard	Findlay	Kostohryz	Pauly	Skoglund
Begich	Fjoslien	Krueger	Peterson	Solberg
Bergstrom	Frerichs	Kvam	Piepho	Sparby
Berkelman	Graba	Larsen	Piper	Staten
Bishop	Greenfield	Long	Price	Sviggum
Blatz	Gruenes	Mann	Quinn	Swanson
Brandl	Gustafson	McDonald	Quist	Thiede
Brinkman	Gutknecht	McEachern	Reif	Tunheim
Burger	Halberg	McKasy	Rice	Valan
Carlson, D.	Haukoos	Metzen	Rodovich	Vanasek
Carlson, L.	Heap	Minne	Rodriguez, C.	Vellenga
Clark, J.	Heinitz	Munger	Rodriguez, F.	Waltman
Clark, K.	Hoberg	Murphy	St. Onge	Welch
Clawson	Hoffman	Nelson, D.	Sarna	Welle
Cohen	Hokr	Nelson, K.	Scheid	Wenzel
Coleman	Jacobs	Neuenschwander	Schoenfeld	Wigley
Dempsey	Jennings	O'Connor	Schreiber	Wynia
Dimler	Jensen	Ogren	Seaberg	Zaffke
Eken	Johnson	Olsen	Segal	Speaker Sieben

Those who voted in the negative were:

Ludeman Schafer Uphus Weiker

The bill was passed and its title agreed to.

H. F. No. 360, A bill for an act relating to education; transferring authority for appointing the commissioner of education from the state board of education to the governor; amending Minnesota Statutes 1982, section 121.16.

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

The question was taken on the passage of the bill and the roll was called. There were 71 yeas and 52 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Clawson	Long	Piper	Staten
Anderson, G.	Cohen	Maan	Quinn	Swanson
Anderson, R.	Eken	Marsh	Rice	Tomlinson
Battaglia	Elioff	McEachern	Rodovich	Tunheim
Beard	Ellingson	Metzen	Rodriguez, F.	Vanasek
Begich	Greenfield	Minne	St. Onge	Vellenga
Bennett	Gustafson	Munger	Sarna	Welch
Bergstrom	Heinitz	Murphy	Schoenfeld	Welle
Berkelman	Hoffman	Nelson, K.	Schreiber	Wenzel
Brandl	Jacobs	Norton	Shaver	Wynia
Brinkman	Jensen	O'Connor	Shea	Speaker Sieben
Carlson, D.	Kalis	Ogren	Simoneau	
Carlson, L.	Kelly	Osthoff	Skoglund	
Clark, J.	Knuth	Otis	Solberg	
Clark, K.	Kostohryz	Peterson	Sparby	

Those who voted in the negative were:

Bishop	Gruenes	Knickerbocker	Pauly	Thiede
Blatz	Gutknecht	Krueger	Piepho	Uphus
Burger	Halberg	Kvam	Quist	Valan
Dempsey	Haukoos	Larsen	Reif	Valento
Dimler	Heap	Levi	Rodriguez, C.	Waltman
Erickson	Himle	Ludeman	Rose	Welker
Evans	Hoberg	McDonald	Schafer	Wigley
Findlay	Hokr	McKasy	Seaberg	Zaffke
Fjoslien	Jennings	Olsen	Segal	
Forsythe	Johnson	Omann	Sherman	
Frerichs	Kahn	Onnen	Sviggum	

The bill was passed and its title agreed to.

S. F. No. 689, A bill for an act relating to the town of St. Cloud; permitting its division into urban and rural service districts.

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 122 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Evans	Knickerbocker	Osthoff	Solberg
Anderson, G.	Findlay	Kostohryz	Otis	Sparby
Anderson, R.	Fjoslien	Krueger	Pauly	Staten
Battaglia	Forsythe	Kvam	Peterson	Sviggum
Beard	Frerichs	Larsen	Piepho	Swanson
Begich	Graba	Levi	Piper	Thiede
Bennett	Greenfield	Long	Quinn	Tomlinson
Bergstrom	Gruenes	Ludeman	Quist	Tunheim
Berkelman	Gustafson	Mann	Reif	Uphus
Bishop	Gutknecht	Marsh	Rodosovich	Valan
Blatz	Halberg	McDonald	Rodriguez, C.	Valento
Brandl	Haukoos	McEachern	Rodriguez, F.	Vanasek
Brinkman	Heap	McKasy	Rose	Vellenga
Burger	Heinitz	Metzen	St. Onge	Waltman
Carlson, L.	Himle	Minne	Sarna	Welch
Clark, J.	Hoberg	Munger	Schafer	Welker
Clark, K.	Hoffman	Murphy	Scheid	Welle
Clawson	Hokr	Nelson, D.	Schoenfeld	Wenzel
Cohen	Jacobs	Nelson, K.	Scaberg	Wigley
Coleman	Jennings	Norton	Segal	Wynia
Dempsey	Jensen	O'Connor	Shaver	Zaffke
Dimler	Johnson	Ogren	Shea	Speaker Sieben
Elioff	Kahn	Olsen	Sherman	
Ellingson	Kalis	Omann	Simoneau	
Erickson	Kelly	Onnen	Skoglund	

The bill was passed and its title agreed to.

H. F. No. 636 was reported to the House.

Sviggum, Rodosovich, Piper, Vanasek, Shea and Waltman moved to amend H. F. No. 636, the second engrossment, as follows:

Page 3, after line 36 insert:

"Sec. 2. [MOWER, STEELE, RICE, AND GOODHUE COUNTIES; SALE OF CERTAIN PROPERTY.]

Subdivision 1. Notwithstanding Minnesota Statutes, section 373.01, subdivision 1, or any other law to the contrary, the counties of Mower, Steele, Rice and Goodhue may sell the property owned jointly by them formerly known as the Mineral Springs Sanitorium in the open market and upon terms as the counties determine without competitive bids, or public notice or hearing.

Sec. 3. [EFFECTIVE DATE.]

Section 2 is effective the day after compliance with Minnesota Statutes, section 645.021, subdivision 3, by the county board of each of the counties of Mower, Steele, Rice and Goodhue."

Amend the title as follows:

Page 1, line 3, after "services;" insert "permitting the sale of certain county property;"

The motion prevailed and the amendment was adopted.

H. F. No. 636, A bill for an act relating to local government; authorizing sewer and water commissions to obtain accountant services; permitting the sale of certain county property; amending Minnesota Statutes 1982, section 116A.24, 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 124 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Brinkman	Elioff	Gutknecht	Kelly
Anderson, G.	Burger	Ellingson	Haukoos	Knickerbocker
Anderson, R.	Carlson, D.	Erickson	Heap	Knuth
Battaglia	Carlson, L.	Evans	Heinitz	Kostohryz
Beard	Clark, J.	Findlay	Himle	Krueger
Begich	Clark, K.	Fjoslien	Hoberg	Kvam
Bennett	Clawson	Forsythe	Hokr	Larsen
Bergstrom	Cohen	Frerichs	Jacobs	Levi
Berkelman	Coleman	Graba	Jensen	Long
Bishop	Dempsey	Greenfield	Johnson	Ludeman
Blatz	Dimler	Gruenes	Kahn	Mann
Brandl	Eken	Gustafson	Kalis	Marsh

McDonald	Olsen	Rodosovich	Sherman	Valento
McEachern	Omann	Rodriguez, C.	Simoneau	Vanasek
McKasy	Onnen	Rodriguez, F.	Skoglund	Vellenga
Metzen	Osthoff	Rose	Solberg	Waltman
Minne	Otis	St. Onge	Sparby	Welch
Munger	Pauly	Schafer	Staten	Welker
Murphy	Peterson	Scheid	Sviggum	Welle
Nelson, D.	Picpho	Schoenfeld	Swanson	Wenzel
Nelson, K.	Piper	Schreiber	Thiede	Wigley
Neuenschwander	Quinn	Seaberg	Tomlinson	Wynia
Norton	Quist	Segal	Tunheim	Zaffke
O'Connor	Reif	Shaver	Uphus	Speaker Sieben
Ogren	Rice	Shea	Valan	

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

S. F. No. 900, A bill for an act relating to retirement; teachers; definitions, coordination with social security benefits, and various administrative changes; amending Minnesota Statutes 1982, sections 354.05, subdivisions 2 and 3; 354.44, subdivision 5; 354.52, subdivision 4; and 354.63, subdivision 2; and Laws 1982, Third Special Session chapter 1, article II, section 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 121 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Erickson	Knuth	Pauly	Skoglund
Anderson, C.	Evans	Kostohryz	Peterson	Solberg
Anderson, R.	Findlay	Krueger	Piepho	Sparby
Battaglia	Fjoslien	Larsen	Piper	Staten
Beard	Forsythe	Levi	Price	Swanson
Begich	Frerichs	Long	Quinn	Thiede
Bennett	Graba	Ludeman	Quist	Tomlinson
Bergstrom	Greenfield	Mann	Reif	Tunheim
Berkelman	Gruenes	McDonald	Rice	Valan
Bishop	Gustafson	McEachern	Rodosovich	Valento
Blatz	Gutknecht	McKasy	Rodriguez, C.	Vanasek
Brandl	Haukoos	Metzen	Rodriguez, F.	Vellenga
Brinkman	Heap	Minne	Rose	Waltman
Burger	Heinitz	Munger	St. Onge	Welch
Carlson, L.	Himle	Murphy	Sarna	Welker
Clark, J.	Hoberg	Nelson, D.	Schafer	Welle
Clark, K.	Hoffman	Nelson, K.	Scheid	Wenzel
Clawson	Hokr	Norton	Schoenfeld	Wigley
Cohen	Jacobs	O'Connor	Schreiber	Wynia
Coleman	Jensen	Ogren	Seaberg	Zaffke
Dempsey	Johnson	Olsen	Segal	Speaker Sieben
Dimler	Kahn	Omann	Shaver	
Eken	Kalis	Onnen	Shea	
Elioff	Kelly	Osthoff	Sherman	
Ellingson	Knickerbocker	Otis	Simoneau	

The bill was passed and its title agreed to.

S. F. No. 843 was reported to the House.

Knuth moved to amend S. F. No. 843, the second engrossment, as follows:

Amend the title as follows:

Page 1, line 9, delete "chapter" and insert "chapters 196 and"

The motion prevailed and the amendment was adopted.

S. F. No. 843, A bill for an act relating to veterans; authorizing the commissioner of veterans affairs to accept gifts; revising the procedure for purchasing veterans grave markers; authorizing an imprest cash fund at veterans homes; providing for the disposal of abandoned property of veterans at veterans homes; amending Minnesota Statutes 1982, section 197.23; proposing new law coded in Minnesota Statutes, chapter 198; and repealing Minnesota Statutes 1982, section 198.055.

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 0 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Erickson	Knickerbocker	Onnen	Sherman
Anderson, G.	Evans	Knuth	Osthoff	Simoneau
Anderson, R.	Findlay	Kostohryz	Otis	Skoglund
Battaglia	Fjoslien	Kvam	Pauly	Solberg
Beard	Forsythe	Larsen	Peterson	Sparby
Begich	Frerichs	Levi	Piepho	Staten
Bennett	Greenfield	Long	Piper	Sviggum
Bergstrom	Cruenes	Ludeman	Price	Swanson
Berkelman	Gustafson	Mann	Quinn	Thiede
Bishop	Gutknecht	Marsh	Quist	Tomlinson
Blatz	Halberg	McDonald	Reif	Tunheim
Brandl	Haukoos	McEachern	Rice	Uphus
Brinkman	Heap	McKasy	Riveness	Valan
Burger	Heinitz	Metzen	Rodriguez, C.	Valento
Carlson, L.	Himle	Minne	Rodriguez, F.	Vanasek
Clark, J.	Hoberg	Munger	St. Onge	Vellenga
Clark, K.	Hoffman	Murphy	Sarna	Waltman
Clawson	Hokr	Nelson, D.	Schafer	Welch
Cohen	Jacobs	Nelson, K.	Scheid	Welker
Coleman	Jennings	Neuenschwander	Schoenfeld	Welle
Dempsey	Jensen	Norton	Schreiber	Wenzel
Dimler	Johnson	O'Connor	Seaberg	Wigley
Eken	Kahn	Ogren	Segal	Wynia
Elioff	Kalts	Olsen	Shaver	Zaffke
Ellingson	Kelly	Omann	Shea	Speaker Sieben

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

H. F. No. 916 was reported to the House.

Beard moved to amend H. F. No. 916, the first engrossment, as follows:

Page 3, line 2, after "Minnesota" insert a comma

Page 3, line 4, delete the semicolon and insert "*, or manufactured in the U.S. by an individual, corporation, partnership or association employing at least 500 persons in Minnesota.*"

The motion prevailed and the amendment was adopted.

Zaffke moved to amend H. F. No. 916, the first engrossment, as amended, as follows:

Page 2, line 5, delete "Notwithstanding"

Page 2, delete lines 6 to 9

Page 2, delete line 10 to the period

A roll call was requested and properly seconded.

The question was taken on the amendment and the roll was called. There were 48 yeas and 74 nays as follows:

Those who voted in the affirmative were:

Blatz	Gruenes	Knickerbocker	Quist	Uphus
Burger	Gutknecht	Levi	Reif	Valan
Carlson, D.	Halberg	Ludeman	Rose	Valento
Dempsey	Haukoos	McDonald	Schafer	Waltman
Dimler	Heap	McKasy	Schreiber	Welker
Erickson	Heinitz	Olsen	Seaberg	Wenzel
Findlay	Hoberg	Omann	Shaver	Wigley
Fjoslien	Hokr	Onnen	Sherman	Zaffke
Forsythe	Jennings	Pauly	Sviggum	
Frerichs	Johnson	Piepho	Thiede	

Those who voted in the negative were:

Anderson, R.	Elioff	Kvam	Osthoff	Simoneau
Battaglia	Ellingson	Larsen	Otis	Skoglund
Beard	Evans	Mann	Peterson	Solberg
Begich	Graba	Marsh	Piper	Sparby
Bergstrom	Greenfield	McEachern	Price	Staten
Berkelman	Gustafson	Metzen	Quinn	Swanson
Bishop	Himle	Minne	Riveness	Tomlinson
Brinkman	Hoffman	Munger	Rodosovich	Tunheim
Carlson, L.	Jacobs	Murphy	Rodriguez, F.	Vanasek
Clark, J.	Jensen	Nelson, D.	St. Onge	Veilenga
Clark, K.	Kalis	Nelson, K.	Sarna	Welch
Clawson	Kelly	Neuenschwander	Scheid	Welle
Cohen	Knuth	Norton	Schoenfeld	Wynia
Coleman	Kostohryz	O'Connor	Segal	Speaker Sieben
Eken	Krueger	Ogren	Shea	

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

H. F. No. 916, as amended, was given its third reading.

UNANIMOUS CONSENT

Beard requested unanimous consent to offer an amendment. The request was granted.

Beard moved to amend H. F. No. 916, the first engrossment, as amended, as follows:

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

The motion prevailed and the amendment was adopted.

The Speaker resumed the Chair.

Otis was excused for the remainder of today's session.

H. F. No. 916, A bill for an act relating to economic development; creating a preference for Minnesota residents in the awarding of public contracts; creating a preference for Minnesota labor and materials; proposing new law coded in Minnesota Statutes, chapter 16.

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

The question was taken on the passage of the bill and the roll was called. There were 68 yeas and 59 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Ellingson	Mann	Piper	Skoglund
Battaglia	Graba	McEachern	Price	Solberg
Beard	Greenfield	Metzen	Quinn	Sparby
Begich	Gustafson	Minne	Rice	Staten
Bergstrom	Hoffman	Munger	Riveness	Swanson
Bishop	Jacobs	Murphy	Rodosovich	Tomlinson
Carlson, L.	Jensen	Nelson, D.	Rodriguez, F.	Vanasek
Clark, J.	Kalis	Nelson, K.	St. Onge	Vellenga
Clark, K.	Kelly	Neuenschwander	Sarna	Welch
Clawson	Knuth	O'Connor	Scheid	Welle
Cohen	Kostohryz	Ogren	Schoenfeld	Wenzel
Coleman	Krueger	Ormann	Segal	Speaker Sieben
Eken	Larsen	Osthoff	Shaver	
Elioff	Long	Peterson	Simoneau	

Those who voted in the negative were:

Anderson, B.	Brandl	Erickson	Frerichs	Heap
Anderson, G.	Burger	Evans	Gruenes	Heinitz
Bennett	Carlson, D.	Findlay	Gutknecht	Himle
Berkelman	Dempsey	Fjoslien	Halberg	Hoberg
Blatz	Dimler	Forsythe	Haukoos	Hokr

Jennings	Marsh	Piepho	Shea	Valento
Johnson	McDonald	Quist	Sherman	Waltman
Kahn	McKasy	Reif	Swiggum	Welker
Knickerbocker	Norton	Rose	Thiede	Wigley
Kvam	Olsen	Schafer	Tunheim	Wynia
Levi	Onnen	Schreiber	Uphus	Zaffke
Ludeman	Pauly	Seaberg	Valan	

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

Long was excused for the remainder of today's session.

H. F. No. 973 was reported to the House.

Segal moved to amend H. F. No. 973, the first engrossment, as follows:

Page 18, after line 8, insert:

"Sec. 19. Minnesota Statutes 1982, section 309.53, subdivision 2, is amended to read:

Subd. 2. Such annual report shall include a financial statement covering the immediately preceding 12 months period of operation, and shall be executed by any two duly constituted officers of the charitable organization, who shall acknowledge that it was executed pursuant to resolution of the board of directors or trustees, or if there be no such board, then by its managing group which has approved the content of the annual report. Such annual report shall also include a copy of any tax return, including amendments, submitted by the charitable organization to the Internal Revenue Service for the period covered by the annual report.

A charitable organization, which files the annual report required under this subdivision with the securities and real estate division is not required to file the tax return with the commissioner of revenue. An organization which fails to file the tax return required under this section is subject to the penalties imposed by the commissioner of revenue as set forth in section 290.05, subdivisions 4 and 5.

Sec. 20. Minnesota Statutes 1982, section 309.53, is amended by adding a subdivision to read:

Subd. 3a. The federal tax return may be filed in lieu of other financial statements if it is prepared in accordance with generally accepted accounting principles and meets the requirements for financial statements set forth in subdivisions 2, 3 and 4."

Amend the title as follows:

Page 1, line 22, before the period, insert "; 309.53, subdivision 2, and by adding a subdivision"

The motion prevailed and the amendment was adopted.

H. F. No. 973, A bill for an act relating to commerce; securities and real estate; modifying the definition of "investment adviser"; clarifying the definitions of "trust account" and investment metal contract; defining and regulating investment adviser representatives; expanding the regulation of investment advisers; exempting certain persons from the definition of real estate broker; modifying real estate education requirements; providing for the suspension of a broker's or salesperson's license pending a hearing; clarifying the intent of certain language relating to the real estate education, research, and recovery fund; modifying an exemption from the registration and annual report requirements for social and charitable organizations; amending Minnesota Statutes 1982, sections 80A.02; 80A.04, subdivisions 2 and 3; 80A.07, subdivisions 1 and 3, and by adding a subdivision; 80A.09, subdivision 1; 80A.14, subdivisions 8, 9, 12, and by adding a subdivision; 82.17, subdivisions 4 and 6; 82.18; 82.22, subdivision 6; 82.27, subdivision 3; 82.34, subdivision 7; 309.515, subdivision 1; 309.53, subdivision 2, 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 116 yeas and 6 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Findlay	Knuth	Pauly	Skoglund
Anderson, G.	Fjoslien	Kostohryz	Peterson	Solberg
Battaglia	Forsythe	Krueger	Piepho	Sparby
Beard	Frerichs	Kvam	Piper	Staten
Begich	Graba	Larsen	Price	Sviggum
Bennett	Greenfield	Mann	Quinn	Swanson
Bergstrom	Gruenes	Marsh	Quist	Tomlinson
Bishop	Gustafson	McDonald	Reif	Tunheim
Blatz	Gutknecht	McEachern	Rice	Uphus
Brandl	Halberg	McKasy	Riveness	Valan
Brinkman	Haukoos	Metzen	Rodosovich	Valento
Burger	Heap	Minne	Rodriguez, C.	Vanasek
Carlson, D.	Heinitz	Munger	Rodriguez, F.	Vellenga
Carlson, L.	Himle	Murphy	Rose	Waltman
Clark, J.	Hoberg	Nelson, D.	St. Onge	Welch
Clark, K.	Hoffman	Nelson, K.	Sarna	Welle
Clawson	Jacobs	Neuenschwander	Scheid	Wenzel
Cohen	Jennings	Norton	Schoenfeld	Wigley
Coleman	Jensen	O'Connor	Seaberg	Wynia
Dempsey	Johnson	Ogren	Segal	Speaker Sieben
Dimler	Kahn	Olsen	Shaver	
Eken	Kalis	Omann	Shea	
Elioff	Kelly	Onnen	Sherman	
Ellingson	Knickerbocker	Osthoff	Simoneau	

Those who voted in the negative were:

Anderson, R.	Ludeman	Schafer	Thiede	Welker
Erickson				

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

S. F. No. 568, A bill for an act relating to state government; providing for a permanent job sharing program; amending Minnesota Statutes 1982, sections 43A.41, subdivisions 4 and 5; 43A.42; 43A.43, subdivision 2; 43A.44, subdivisions 1 and 2; 43A.45; amending Laws 1981, chapter 210, section 55, as amended; repealing Minnesota Statutes 1982, sections 43A.41, subdivision 3; and 43A.43, 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 121 yeas and 2 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Erickson	Knickerbocker	Onnen	Skoglund
Anderson, C.	Evans	Knuth	Osthoff	Solberg
Anderson, R.	Findlay	Kostohryz	Pauly	Sparby
Battaglia	Fjoslien	Krueger	Peterson	Staten
Beard	Forsythe	Kvam	Piepho	Sviggum
Begich	Graba	Larsen	Piper	Swanson
Bennett	Greenfield	Levi	Price	Thiede
Bergstrom	Gruenes	Ludeman	Quinn	Tomlinson
Berkelman	Gustafson	Mann	Quist	Tunheim
Bishop	Gutknecht	Marsh	Rcif	Uphus
Blatz	Halberg	McDonald	Riveness	Valan
Brandl	Haukoos	McEachern	Rodosovich	Valento
Brinkman	Heap	McKasy	Rodriguez, C.	Vanasek
Burger	Heinitz	Metzen	Rodriguez, F.	Vellenga
Carlson, D.	Himle	Minne	Rose	Waltruan
Carlson, L.	Hoberg	Munger	St. Onge	Welch
Clark, J.	Hoffman	Murphy	Sarna	Welle
Clark, K.	Hokr	Nelson, D.	Scheid	Wenzel
Cohen	Jacobs	Nelson, K.	Schoenfeld	Wigley
Coleman	Jennings	Neuenschwander	Seaberg	Wynia
Dempsey	Jensen	Norton	Segal	Speaker Sieben
Dimler	Johnson	O'Connor	Shaver	
Eken	Kahn	Ogren	Shea	
Elioff	Kalis	Olsen	Sherman	
Ellingson	Kelly	Omann	Simoneau	

Those who voted in the negative were:

Frerichs Welker

The bill was passed and its title agreed to.

Halberg was excused for the remainder of today's session.

S. F. No. 755 was reported to the House.

Marsh moved to amend S. F. No. 755, as follows:

Page 6, after line 18, insert:

"Sec. 7. [EFFECTIVE DATE.]

Sections 1 to 6 are effective on January 1, 1984."

The motion prevailed and the amendment was adopted.

S. F. No. 755, A bill for an act relating to agriculture; making changes in the artificial dairy products act; amending Minnesota Statutes 1982, sections 32.53; 32.531; 32.5311; 32.532; 32.533; and proposing new law coded in Minnesota Statutes, chapter 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. There were 122 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Ellingson	Kelly	Pauly	Simoneau
Anderson, G.	Erickson	Knickerbocker	Peterson	Skoglund
Anderson, R.	Evans	Knuth	Picpho	Solberg
Battaglia	Findlay	Kostohryz	Piper	Sparby
Beard	Fjoslien	Krueger	Price	Staten
Begich	Forsythe	Kvam	Quinn	Sviggum
Bennett	Frerichs	Larsen	Quist	Swanson
Bergstrom	Graba	Levi	Reif	Thiede
Berkelman	Greenfield	Mann	Rice	Tomlinson
Bishop	Gruenes	Marsh	Riveness	Tunheim
Blatz	Gustafson	McDonald	Rodosovich	Uphus
Brandl	Gutknecht	McKasy	Rodriguez, C.	Valan
Brinkman	Haukoos	Minne	Rodriguez, F.	Vanasek
Burger	Heap	Munger	Rose	Vellenga
Carlson, D.	Heinitz	Murphy	St. Onge	Waltman
Carlson, L.	Himle	Nelson, D.	Sarna	Welch
Clark, J.	Hoberg	Nelson, K.	Schafer	Welle
Clark, K.	Hoffman	Neuenschwander	Scheid	Wenzel
Clawson	Hokr	Norton	Schoenfeld	Wigley
Cohen	Jacobs	O'Connor	Schreiber	Wynia
Coleman	Jennings	Ogren	Seaberg	Zaifke
Dempsey	Jensen	Olsen	Segal	Speaker Sieben
Dimler	Johnson	Omann	Shaver	
Eken	Kahn	Onnen	Shea	
Elioff	Kalis	Osthoff	Sherman	

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

H. F. No. 1067, A bill for an act relating to state government; authorizing the commissioner of the department of economic security to accept gifts; designating the commissioner as administrator of weatherization programs; providing for weatherization grants; regulating summer youth programs; providing financial assistance allocations for community action agencies; amending Minnesota Statutes 1982, sections 268.011, subdivision 2; 268.34; 268.37, subdivisions 2, 4, and 5; and 268.52, 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 124 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Erickson	Knuth	Onaen	Simoneau
Anderson, G.	Evans	Kostohryz	Osthoff	Skoglund
Anderson, R.	Findlay	Krueger	Pauly	Solberg
Battaglia	Fjoslien	Kvam	Peterson	Sparby
Beard	Forsythe	Larsen	Piepho	Staten
Begich	Frerichs	Levi	Piper	Sviggum
Bennett	Graba	Long	Price	Swanson
Bergstrom	Greenfield	Ludeman	Quinn	Thiede
Berkeiman	Gruenes	Mann	Reif	Tomlinson
Bishop	Gutknecht	Marsh	Rice	Tunheim
Blatz	Haukoos	McDonald	Riveness	Uphus
Brandl	Heap	McEachern	Rodosovich	Valan
Brinkman	Heinitz	McKasy	Rodriguez, C.	Valento
Burger	Himle	Metzen	Rodriguez, F.	Vanasek
Carlson, D.	Hoberg	Minne	Rose	Vellenga
Carlson, L.	Hoffman	Munger	St. Onge	Waltman
Clark, J.	Hokr	Murphy	Sarna	Welch
Clark, K.	Jacobs	Nelson, D.	Schafer	Welker
Clawson	Jennings	Nelson, K.	Scheid	Welle
Cohen	Jensen	Neuenschwander	Schoenfeld	Wenzel
Coleman	Johnson	Norton	Schreiber	Wigley
Dempsey	Kahn	O'Connor	Seaberg	Wynia
Dimler	Kalis	Ogren	Segal	Zaifke
Eken	Kelly	Olsen	Shaver	Speaker Sieben
Elioff	Kuickerbocker	Omann	Sherman	

The bill was passed and its title agreed to.

H. F. No. 1090 was reported to the House.

Ogren moved that H. F. No. 1090 be continued on Special Orders for one day. The motion prevailed.

S. F. No. 639 was reported to the House.

Piper moved to amend S. F. No. 639, the unofficial engrossment, as follows:

Page 3, delete section 4

Page 3, line 32, delete "4" and insert "3"

Renumber the section

Amend the title as follows:

Page 1, line 6, delete "; and 216B.01"

The motion prevailed and the amendment was adopted.

S. F. No. 639, A bill for an act relating to energy; changing a cross-reference for nonpublic data reporting; amending the definition of "earth sheltered"; changing the due date of biennial energy reports; amending Minnesota Statutes 1982, sections 13.68, subdivision 1; 116J.06, subdivision 2; and 116J.18, 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 126 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Erickson	Knuth	Pauly	Solberg
Anderson, G.	Evans	Kostohryz	Peterson	Sparby
Anderson, R.	Findlay	Krueger	Piepho	Staten
Battaglia	Fjoslien	Kvam	Piper	Swiggum
Beard	Forsythe	Larsen	Price	Swanson
Begich	Frerichs	Levi	Quinn	Thiede
Bennett	Graba	Ludeman	Quist	Tomlinson
Bergstrom	Greenfield	Mann	Reif	Tunheim
Berkelman	Gruenes	Marsh	Rice	Uphus
Bishop	Gustafson	McDonald	Riveness	Valan
Blatz	Gutknecht	McEachern	Rodosovich	Valentó
Brandl	Haukoos	McKasy	Rodriguez, C.	Vanasek
Brinkman	Heap	Metzen	Rodriguez, F.	Vellenga
Burger	Heinitz	Minne	Rose	Waltman
Carlson, D.	Himle	Munger	St. Onge	Weich
Carlson, L.	Hoberg	Murphy	Sarna	Welker
Clark, J.	Hoffman	Nelson, D.	Schafer	Welle
Clark, K.	Hokr	Nelson, K.	Scheid	Wenzel
Clawson	Jacobs	Neuenschwander	Schoenfeld	Wigley
Cohen	Jennings	Norton	Schreiber	Wynia
Coleman	Jensen	O'Connor	Seaberg	Zaffke
Dempsey	Johnson	Ogren	Segal	Speaker Sieben
Dimler	Kahn	Olsen	Shaver	
Eken	Kalis	Omann	Sherman	
Elioff	Kelly	Onnen	Simoneau	
Ellingson	Knickerbocker	Osthoff	Skoglund	

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

S. F. No. 948, A bill for an act relating to metropolitan government; providing for the term of the chairman of the metropolitan airports commission; amending Minnesota Statutes 1982, section 473.604, 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 110 yeas and 11 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Eken	Kelly	Ogren	Seaberg
Anderson, G.	Elioff	Knickerbocker	Olsen	Segal
Anderson, R.	Ellingson	Knuth	Omann	Shaver
Battaglia	Erickson	Kostohryz	Onnen	Sherman
Beard	Evans	Krueger	Osthoff	Simoneau
Begich	Findlay	Larsen	Piepho	Skoglund
Bennett	Forsythe	Levi	Piper	Solberg
Bergstrom	Frerichs	Ludeman	Price	Sparby
Berkelman	Graba	Mann	Quinn	Staten
Bishop	Greenfield	Marsh	Quist	Sviggun
Brandl	Gustafson	McDonald	Reif	Swanson
Brinkman	Heap	McEachern	Rice	Tomlinson
Burger	Heinitz	McKasy	Riveness	Tunheim
Carlson, D.	Himle	Metzen	Rodosovich	Valan
Carlson, L.	Hoberg	Minne	Rodriguez, C.	Valento
Clark, J.	Hoffman	Munger	Rodriguez, F.	Vanasek
Clark, K.	Jacobs	Murphy	Rose	Vellenga
Clawson	Jennings	Nelson, D.	St. Onge	Waltman
Cohen	Jensen	Nelson, K.	Sarna	Welch
Coleman	Johnson	Neuenschwander	Scheid	Wenzel
Dempsey	Kahn	Norton	Schoenfeld	Wynia
Dimler	Kajis	O'Connor	Schreiber	Speaker Sieben

Those who voted in the negative were:

Blatz	Haukoos	Schafer	Uphus	Wigley
Fjoslien	Kvam	Thiede	Welker	Zaffke
Gruenes				

The bill was passed and its title agreed to.

There being no objection the order of business reverted to Messages from the Senate.

MESSAGES FROM THE SENATE

The following messages were received from the Senate:

Mr. Speaker:

I hereby announce that the Senate refuses to concur in the House amendment to:

S. F. No. 92, A bill for an act relating to towns, cities, and counties; requiring other government units to give notice to towns, cities, and counties of actions that affect land use or taxation; proposing new law coded in Minnesota Statutes, chapter 471.

The Senate respectfully requests that a Conference Committee be appointed thereon. The Senate has appointed as such committee Messrs. Bertram, Renneke and Pogemiller.

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

PATRICK E. FLAHAVER, Secretary of the Senate

Wenzel 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. 92. The motion prevailed.

Mr. Speaker:

I hereby announce that the Senate refuses to concur in the House amendment to:

S. F. No. 50, A bill for an act relating to crimes; providing for new crimes relating to abuse of children; establishing willful and unlawful restraint as a crime; establishing malicious punishment as a crime; establishing neglect as a crime; providing penalties; amending Minnesota Statutes 1982, sections 260.315; 609.255; and 626.556, subdivision 12; proposing new law coded in Minnesota Statutes, chapter 609.

The Senate respectfully requests that a Conference Committee be appointed thereon. The Senate has appointed as such committee Mr. Petty, Ms. Reichgott and Mr. Ramstad.

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

PATRICK E. FLAHAVER, Secretary of the Senate

Clark, J., 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. 50. The motion prevailed.

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. 667, A bill for an act relating to employment; providing leaves of absence for adoptive parents; proposing new law coded in Minnesota Statutes, chapter 181.

The Senate has appointed as such committee Mr. Benson, Mrs. Kronebusch and Ms. Reichgott.

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. 365, A bill for an act relating to health care facilities; clarifying the rights and responsibilities of patients and residents; amending Minnesota Statutes 1982, sections 144.651; and 144.652.

The Senate has appointed as such committee Ms. Berglin, Mmes. Brataas 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. 90, A bill for an act relating to highway traffic regulations; prescribing penalties for failure to place children under the age of four years in child passenger restraint systems when being transported on streets and highways; amending Minnesota Statutes 1982, section 169.685, subdivision 5.

The Senate has appointed as such committee Mrs. Lantry, Messrs. Frank 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. 582, A bill for an act relating to corrections; clarifying the powers of the commissioner of corrections; limiting certain inmate functions; authorizing the use of necessary force to prevent escape; providing for the costs of transporting juvenile delinquents committed to the commissioner of corrections; providing for supervision of gross misdemeanor probationers; removing archaic language; amending Minnesota Statutes 1982, sections 241.01, subdivision 3a; 241.23; 242.31, subdivisions 1 and 3; 243.17, subdivision 1; 243.52; 243.58; 243.62; 609.135, subdivision 1; and 624.714, subdivision 13.

PATRICK E. FLAHAVEN, Secretary of the Senate

Kelly moved that the House refuse to concur in the Senate amendments to H. F. No. 582, 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. 653, A bill for an act relating to elections; making numerous procedural changes in the election law; removing or clarifying obsolete and inappropriate language; rearranging certain provisions; amending Minnesota Statutes 1982, sections 201.061, subdivision 3; 203B.11; 203B.12, subdivision 2; 204B.31; 204B.33; 204B.36, subdivision 2; 204C.08, subdivision 1; 204C.10, subdivision 1; 204C.12, subdivisions 3 and 4; 204C.24, subdivision 1; 204C.25; 204C.35; 204D.11, subdivision 5; 204D.13, subdivision 3; 205.17, subdivisions 3 and 4; 206.11; 206.19, subdivision 1; 210A.39; proposing new law coded in Minnesota Statutes, chapter 204C; repealing Minnesota Statutes 1982, section 204B.06, subdivision 3.

PATRICK E. FLAHAVEN, Secretary of the Senate

Osthoff moved that the House refuse to concur in the Senate amendments to H. F. No. 653, 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. 92, A bill for an act relating to education; providing for aids to education, aids to libraries, aids for teacher retirement contributions, tax levies, and the distribution of tax revenues; granting certain duties and powers to school boards, school districts, the state board of education, and the state board for vocational education; providing for revenue equity; modifying the computation of the transportation aid, summer school, and community education aids and levies; establishing an average-cost funding formula for AVTIs; authorizing intermediate school districts to offer nonpost-secondary academic courses; establishing programs for improvement of schools; providing incentives for school districts to utilize technology in instruction; appropriating money; amending Minnesota Statutes 1982, sections 6.54; 6.62, subdivision 1; 16A.15, subdivision 1; 120.075, subdivision 4, and by adding a subdivision; 120.10, subdivision 2; 120.17, subdivision 3; 120.64, subdivisions 2 and 4; 121.908; 121.911, by adding a subdivision; 121.912, subdivision 3; 122.23, subdivisions 2 and 3; 122.41; 122.43; 122.44; 122.531, subdivision 2, and by adding subdivisions; 123.33, subdivisions 10 and 14; 123.34, subdivision 9; 123.351, subdivision 4; 123.36, subdivisions 9, 13, and by adding a subdivision; 123.37, subdivision 1b; 123.39, subdivision 4; 123.705; 124.11, subdivisions 2a and 2b; 124.14, subdivision 1; 124.15, subdivision 5; 124.17, subdivisions 1 and 2d; 124.19, subdivisions 1 and 3; 124.201, subdivisions 2, 3, and by adding subdivisions; 124.2122, subdivisions 1 and 2; 124.2126, subdivision 3; 124.2128, subdivision 1; 124.2132, subdivision 4; 124.225; 124.245, by adding a subdivision; 124.246, subdivision 2; 124.247, subdivision 3; 124.26, subdivision 1; 124.271, subdivisions 2a, 6, and by adding a subdivision; 124.273, subdivisions 1b, 2b, and 4; 124.32, subdivisions 1b, 1d, 2, 3a, 5, and 5a; 124.572, subdivision 2; 124.573, subdivision 2; 124.574, subdivisions 2b and 3; 124.646, subdivision 1; 125.60, subdivision 7; 125.611, subdivision 8; 129B.02; 129B.04; 129B.05; 129B.09, subdivision 12; 134.07; 134.08; 134.09; 134.10; 134.11; 134.12; 134.13; 134.14; 134.15; 134.30; 134.32, subdivisions 1 and 7; 134.351, subdivisions 3 and 7; 134.353; 134.36; 275.125, subdivisions 2d, 2e, 2i, 5, 5b, 6d, 8, 11a, 11b, and by adding subdivisions; 354.66, subdivision 9; 354A.094, subdivision 9; 375.335; 466.01, subdivision 1; 475.61, subdivision 3; and 648.39, subdivision 1; amending Laws 1967, chapter 822, section 4; Laws 1969, chapter 775, section 3, subdivision 2, as amended; Laws 1969, chapter 1060, section 4; Laws 1981, chapter 358, article 7, section 29, as amended; and Laws 1982, chapter 548, article 3, sections 27 and 28; proposing new law coded in Minnesota Statutes, chapters 3, 120, 121, 122, 123, 124, 126, 129B, and 134; repealing Minnesota Statutes 1982, sections

121.501 to 121.507; 122.542; 124.11, subdivision 1; 124.24; 124.251; 124.26, subdivision 4; 124.271, subdivision 5; 124.273, subdivisions 1 and 2; 124.32, subdivisions 1 and 9; 124.561; 124.562; 124.5621; 124.5622; 124.5623; 124.5624; 124.5625; 124.5626; 124.5627; 124.572, subdivision 8; 124.573, subdivision 5; 124.574, subdivision 2; 124.611; 125.611, subdivision 9; 129B.06 to 129B.09; 134.03; 134.06; 134.16; 134.19; 134.352; and 375.33.

PATRICK E. FLAHAVEN, Secretary of the Senate

Nelson, K., moved that the House refuse to concur in the Senate amendments to H. F. No. 92, 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.

SPECIAL ORDERS

Eken moved that the remaining bills on Special Orders be continued one day. The motion prevailed.

GENERAL ORDERS

Eken moved that the bills on General Orders be continued one day. 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. 149:

Sviggum, Kahn and Beard.

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 582:

Kelly; Clark, J., and Bishop.

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 653:

Osthoff, Minne and Omann.

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 92:

Wenzel, Levi and Sparby.

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 50:

Clark, J.; Nelson, K., and Forsythe.

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 610:

Berkelman, Rice and Metzen.

MOTIONS AND RESOLUTIONS

Ellingson moved that the name of Blatz be added as an author on H. F. No. 1233. The motion prevailed.

Rice moved that the name of Jacobs be added as an author on H. F. No. 1257. The motion prevailed.

Staten moved that the name of Otis be added as an author on H. F. No. 1281. The motion prevailed.

Berkelman moved that the name of Segal be added as an author on H. F. No. 1282. The motion prevailed.

CERTIFICATION

May 3, 1983

To the Senate
State of Minnesota

To the House of Representatives
State of Minnesota

This is to certify that the House of Representatives and the Senate in Joint Convention on Tuesday, May 3, 1983, have elected as members of the Board of Regents of the University of Minnesota the following members each to hold his or her respective office for the term specified from the first Monday of February, 1983:

David M. Lebedoff, Fifth Congressional District, six years

Charles F. McGuiggan, At-Large, six years

Wenda W. Moore, At-Large, six years

Wallace G. Hilke, At-Large Student Member, six years

JEROME M. HUGHES
President of the Senate

HARRY A. SIEBEN, JR.
Speaker of the House
of Representatives

ADJOURNMENT

Eken moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 2:00 p.m., Friday, May 6, 1983.

EDWARD A. BURDICK, Chief Clerk, House of Representatives

STATE OF MINNESOTA

SEVENTY-THIRD SESSION - 1983

FORTY-EIGHTH DAY

SAINT PAUL, MINNESOTA, FRIDAY, MAY 6, 1983

The House of Representatives convened at 2:00 p.m. and was called to order by Harry A. Sieben, Jr., Speaker of the House.

Prayer was offered by Reverend Jack L. Sowers, Constance Evangelical Free Church, Andover, Minnesota.

The roll was called and the following members were present:

Anderson, B.	Erickson	Kelly	Osthoff	Simoneau
Anderson, G.	Evans	Knickerbocker	Otis	Skoglund
Anderson, R.	Findlay	Knuth	Pauly	Sparby
Battaglia	Fjoslien	Kostohryz	Peterson	Stadum
Beard	Forsythe	Krueger	Piepho	Staten
Begich	Frerichs	Kvam	Piper	Sviggum
Bennett	Graba	Larsen	Price	Swanson
Bergstrom	Greenfield	Levi	Quinn	Thiede
Berkelman	Gruenes	Ludeman	Quist	Tomlinson
Bishop	Gustafson	Marsh	Reif	Tunheim
Brandl	Gutknecht	McDonald	Rice	Uphus
Brinkman	Halberg	McEachern	Riveness	Valan
Burger	Haukoos	McKasy	Rodosovich	Valento
Carlson, D.	Heap	Metzen	Rodriguez, C.	Vanasek
Carlson, L.	Heinitz	Munger	Rodriguez, F.	Vellenga
Clark, J.	Himle	Murphy	St. Onge	Voss
Clark, K.	Hoberg	Nelson, D.	Sarna	Waltman
Clawson	Hoffman	Nelson, K.	Schafer	Welch
Cohen	Hokr	Neuenschwander	Scheid	Welker
Coleman	Jacobs	Norton	Schoenfeld	Welle
Dempsey	Jennings	O'Connor	Schreiber	Wenzel
Dimler	Jensen	Ogren	Seaberg	Wigley
Eken	Johnson	Olsen	Shaver	Wynia
Elioff	Kahn	Omann	Shea	Zaffke
Ellingson	Kalis	Onnen	Sherman	Speaker Sieben

A quorum was present.

Blatz, Long, Mann, Minne, Redalen and Solberg were excused.

Segal was excused until 2:20 p.m. Rose was excused until 3:30 p.m. DenOuden was excused until 3:40 p.m.

The Chief Clerk proceeded to read the Journal of the preceding day. Clawson 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. 1283, 636, 916 and 973 and S. F. Nos. 214, 297, 412, 527, 682, 683, 824, 911, 845 and 881 have been placed in the members' files.

S. F. No. 824 and H. F. No. 818, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Skoglund moved that the rules be so far suspended that S. F. No. 824 be substituted for H. F. No. 818 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 683 and H. F. No. 643, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

McEachern moved that the rules be so far suspended that S. F. No. 683 be substituted for H. F. No. 643 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 297 and H. F. No. 532, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Coleman moved that the rules be so far suspended that S. F. No. 297 be substituted for H. F. No. 532 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 412 and H. F. No. 594, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Staten moved that the rules be so far suspended that S. F. No. 412 be substituted for H. F. No. 594 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 911 and H. F. No. 854, 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. 911 be substituted for H. F. No. 854 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 845 and H. F. No. 847, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Carlson, L., moved that the rules be so far suspended that S. F. No. 845 be substituted for H. F. No. 847 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 682 and H. F. No. 929, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Osthoff moved that the rules be so far suspended that S. F. No. 682 be substituted for H. F. No. 929 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 527 and H. F. No. 536 which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Riveness moved that the rules be so far suspended that S. F. No. 527 be substituted for H. F. No. 536 and that the House File be indefinitely postponed. The motion prevailed.

Welle and Quinn were excused while in conference.

SECOND READING OF HOUSE BILLS

H. F. No. 1283 was read for the second time.

SECOND READING OF SENATE BILLS

S. F. No. 824 was read for the second time.

SUSPENSION OF RULES

Pursuant to Article IV, Section 19, of the Constitution of the state of Minnesota, Skoglund moved that the rule therein be suspended and an urgency be declared so that S. F. No. 824 be given its third reading and be placed upon its final passage. The motion prevailed.

Skoglund moved that the rules of the House be so far suspended that S. F. No. 824 be given its third reading and be placed upon its final passage. The motion prevailed.

S. F. No. 824 was reported to the House.

Begich offered an amendment to S. F. No. 824.

POINT OF ORDER

Vanasek raised a point of order pursuant to rule 3.9 that the amendment was not in order. The Speaker ruled the point of order well taken and the amendment out of order.

S. F. No. 824, A bill for an act relating to the city of Minneapolis; abolishing the office of comptroller-treasurer in the city of Minneapolis; authorizing the reorganization, reallocation, consolidation, and delegation of the functions of the office; restructuring the board of estimate and taxation in the city of Minneapolis; changing the membership and terms of members of the retirement board; amending Minnesota Statutes 1982, sections 422A.02; and 422A.03, 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 106 yeas and 8 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Eken	Hoffman	McKasy	Rice
Anderson, R.	Elihoff	Jacobs	Metzen	Riveness
Battaglia	Ellingson	Jennings	Munger	Rodosovich
Beard	Erickson	Jensen	Murphy	Rodriguez, C.
Bennett	Evans	Johnson	Nelson, D.	Rodriguez, F.
Bergstrom	Findlay	Kahn	Nelson, K.	St. Onge
Bishop	Fjoslien	Kalis	Neuenschwander	Sarna
Brandl	Forsythe	Kelly	O'Connor	Scheid
Brinkman	Frerichs	Knickerbocker	Ogren	Schoenfeld
Burger	Graba	Knuth	Olsen	Schreiber
Carlson, D.	Greenfield	Kostohryz	Onnen	Segal
Carlson, L.	Gustafson	Krueger	Otis	Shea
Clark, J.	Halberg	Kvam	Pauly	Sherman
Clark, K.	Haukoos	Larsen	Peterson	Simoneau
Clawson	Heap	Levi	Piper	Skoglund
Cohen	Heimitz	Ludeman	Price	Sparby
Coleman	Himle	Marsh	Quist	Stadum
Dimler	Hoberg	McDonald	Reif	Staten

Sviggum	Valan	Voss	Wigley	Zaffke
Swanson	Valento	Waltman	Wynia	Speaker Sieben
Tomlinson	Vanasek	Welle		
Tunheim	Vellenga	Wenzel		

Those who voted in the negative were:

Begich	Piepho	Seaberg	Uphus	Welker
Omamm	Schafer	Thiede		

The bill was passed and its title agreed to.

SECOND READING OF SENATE BILLS, Continued

S. F. Nos. 683, 297, 412, 911, 845, 682 and 527 were read for the second time.

There being no objection the order of business reverted to Reports of Standing Committees.

REPORTS OF STANDING COMMITTEES

Tomlinson from the Committee on Taxes to which was referred:

H. F. No. 1259, A bill for an act relating to taxation; modifying the definition of gross income; adopting federal definitions of itemized deductions; updating the references to the Internal Revenue Code; extending the duration of the temporary income tax surtax; modifying the deduction of federal income taxes; assigning certain gambling winnings by nonresidents to Minnesota; imposing withholding tax on certain gambling winnings and horse racing purses; repealing certain income tax credits for pollution control expenditures; changing the refund method for the sales tax on electricity used in agricultural production; making the six percent sales and use tax rate permanent; increasing the motor vehicle excise tax rate to six percent; modifying the enterprise zone law; providing for state tax incentives in enterprise zones; limiting the number of enterprise zones; reducing the corporate income tax rate; eliminating the deduction for certain income and franchise taxes paid by corporations; eliminating the deduction for corporate capital gains; providing small business investment credits; modifying the definition of market value; requiring additional information on the certificate of value; mandating that homestead affidavits be filed in all counties; requiring that all contracts for deed be recorded; restricting the use of sales ratio studies as evidence; eliminating the agricultural mill rate credit on farm homes; increasing the agricultural mill rate credit on certain property; modifying the wetlands credit; modifying the utility property tax credit; limit-

ing the reduced assessment rate for certain structures used for housing; changing certain property tax classification ratios; exempting contracts for deed from the mortgage registry tax and providing penalties for failure to file; exempting cities and towns with populations under 5,000 from levy limitations; modifying the method by which levy limitations are calculated; adding a special levy for certain county purposes; establishing a new homestead credit formula for certain homestead property; modifying the property tax refund formula; changing the payment dates for the property tax refund; repealing the rent capitalization method used in assessing agricultural land; repealing the native prairie credit and reimbursement; repealing the wetlands reimbursement; modifying school district cash flow; establishing school aid payment dates for fiscal year 1985 and years thereafter; requiring that property taxes be paid 15 days earlier; altering property tax settlement dates; appropriating money; amending Minnesota Statutes 1982, sections 124.2137, subdivision 1; 272.02, subdivision 1; 272.03, subdivision 8; 272.115, subdivision 1; 273.11, subdivision 1; 273.115, subdivisions 1, 2, and 3; 273.13, subdivisions 6, 6a, 7, 9, 11, 14a, 17, 17b, 17c, 20, and by adding a subdivision; 273.1312, subdivisions 2, 3, 4, and 5; 273.1313, subdivisions 1, 2, 3, and 5; 275.50, subdivision 2, and by adding subdivisions; 275.51, by adding subdivisions; 275.53, by adding a subdivision; 276.09; 276.10; 276.11; 278.01, subdivisions 1 and 2; 278.03; 278.05, subdivisions 4 and 5; 279.01, subdivision 1; 287.05, subdivision 1; 290.01, subdivisions 19, 20, 20a, as amended, 20b, as amended, and 20f; 290.05, subdivision 6; 290.06, subdivisions 1, 2e, 11, and 14; 290.09, subdivisions 1, 2, 3, as amended, 4, 5, 6, 28, and 29; 290.091; 290.095, subdivision 4; 290.14; 290.16, subdivision 4; 290.17, subdivision 2; 290.18, subdivisions 1 and 2; 290.21, subdivisions 1 and 3; 290.23, subdivision 5; 290.31, subdivisions 2 and 3; 290.39, subdivision 2; 290.46; 290.92, subdivision 2a, and by adding subdivisions; 290A.03, subdivisions 3, 6, 8, 11, 13, and by adding a subdivision; 290A.04, subdivisions 1, 2, 2a, and 3; 290A.07, subdivision 2a; 290A.16; 290A.18; 290A.19; 297A.02, as amended; 297A.03, subdivision 2, as amended; 297A.14, as amended; 297A.35, subdivision 3; 297B.02, as amended; 473F.08, subdivision 7a; and Laws 1981, Third Special Session chapter 2, article III, section 22, as amended; proposing new law coded in Minnesota Statutes, chapters 116C; 124; 273; 290; and 507; repealing Minnesota Statutes 1982, sections 273.11, subdivision 7; 273.116; 273.42, subdivision 2; 273.425; 275.51, subdivisions 3e and 5; 290.01, subdivisions 23, 27, and 28; 290.032, subdivision 5; 290.06, subdivisions 9 and 9a; 290.077, subdivision 2; 290.08, subdivision 25; 290.09, subdivisions 10, 15, 22, and 27; 290.21, subdivision 3a; 290.501; 290A.04, subdivision 2b; 290A.07, subdivision 3; 352C.07; and Laws 1982, chapter 523, article VII, section 3.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1

INCOME TAX

Section 1. Minnesota Statutes 1982, section 290.01, subdivision 19, is amended to read:

Subd. 19. [NET INCOME.] The term "net income" means the gross income, as defined in subdivision 20, less the *following* deductions (ALLOWED BY SECTION 290.09 (AND FOR INDIVIDUALS, SECTION 290.21)) to the extent allowed by section 290.18, subdivision 1:

(a) *For corporations, the deductions allowed by section 290.09;*

(b) *For individuals, the deductions allowed in section 9, without regard to section 290.18, subdivision 1, and section 10; and*

(c) *For estates and trusts, the deduction allowed by section 9, without regard to section 290.18, subdivision 1.*

Sec. 2. Minnesota Statutes 1982, section 290.01, subdivision 20, is amended to read:

Subd. 20. [GROSS INCOME.] Except as otherwise provided in this chapter, the term "gross income," as applied to corporations includes every kind of compensation for labor or personal services of every kind from any private or public employment, office, position or services; income derived from the ownership or use of property; gains or profits derived from every kind of disposition of, or every kind of dealing in, property; income derived from the transaction of any trade or business; and income derived from any source.

The term "gross income" in its application to individuals, estates, and trusts shall mean the adjusted gross income as defined in the Internal Revenue Code of 1954, as amended through the date specified herein for the applicable taxable year, with the modifications specified in this subdivision and in subdivisions 20a to 20f. For estates and trusts the adjusted gross income shall be their federal taxable income as defined in the Internal Revenue Code of 1954, as amended through the date specified herein for the applicable taxable year, with the modifications specified in this subdivision and in subdivisions 20a to 20f, and with the modification that the federal deduction for personal exemptions for trusts and estates shall not be allowed.

(i) The Internal Revenue Code of 1954, as amended through December 31, 1976, including the amendments made to section 280A (relating to licensed day care centers) in H. R. 3477 as it

passed the Congress on May 16, 1977, shall be in effect for the taxable years beginning after December 31, 1976. The provisions of the Tax Reform Act of 1976, P. L. 94-455, which affect adjusted gross income shall become effective for purposes of this chapter at the same time they become effective for federal income tax purposes.

The provisions of section 4 of P. L. 95-458, sections 131, 133, 134, 141, 152, 156, 157, 405, and 543 of P. L. 95-600, and section 2 of P. L. 96-608 (relating to pensions, individual retirement accounts, deferred compensation plans, the sale of a residence and to conservation payments to farmers) including the amendments made to these sections in P. L. 96-222 shall be effective at the same time that these provisions became effective for federal income tax purposes.

(ii) The Internal Revenue Code of 1954, as amended through December 31, 1979, shall be in effect for taxable years beginning after December 31, 1979.

(iii) The Internal Revenue Code of 1954, as amended through December 31, 1980, and as amended by sections 302(b) and 501 to 509 of Public Law Number 97-34, shall be in effect for taxable years beginning after December 31, 1980 including the provisions of section 404 (relating to partial exclusions of dividends and interest received by individuals) of the Crude Oil Windfall Profit Tax Act of 1980, P. L. 96-223. The provisions of P. L. 96-471 (relating to installment sales) sections 122, 123, 126, 201, 202, 203, 204, 211, 213, 214, 251, 261, 264, 265, 311(g)(3), 313, 314(a)(1), 321(a), 501 to 507, 811, and 812 of the Economic Recovery Tax Act of 1981, Public Law Number 97-34 and section 113 of Public Law Number 97-119 shall be effective at the same time that they become effective for federal income tax purposes.

(iv) The Internal Revenue Code of 1954, as amended through December 31, 1981, shall be in effect for taxable years beginning after December 31, 1981. *The provisions of sections 205(a), 214 to 222, 231, 232, 236, 247, 251, 252, 253, 265, 266, 285, 288, and 335 of the Tax Equity and Fiscal Responsibility Act of 1982, Public Law Number 97-248, section 6(b)(2) and (3) of the Subchapter S Revision Act of 1982, Public Law Number 97-354, section 517 of Public Law Number 97-424, sections 101(c) and (d), 102(a), (aa), (f)(4), (g), (j), (l), 103(c), 104(b)(3), 105, 305(d), 306(a)(9) of Public Law Number 97-448, and sections 101 and 102 of Public Law Number 97-473 and Payment-in-Kind Tax Treatment Act of 1983, Public Law Number 98-4, shall be effective at the same time that they become effective for federal income tax purposes.*

(v) *The Internal Revenue Code of 1954, as amended through March 12, 1983, shall be in effect for taxable years beginning after December 31, 1982.*

References to the Internal Revenue Code of 1954 in subdivisions 20a, 20b, 20c, (AND) 20e, and 20f shall mean the code in effect for the purpose of defining gross income for the applicable taxable year.

Sec. 3. Minnesota Statutes 1982, section 290.01, subdivision 20a, as amended by Laws 1982, Third Special Session chapter 1, article V, section 1, is amended to read:

Subd. 20a. [MODIFICATIONS INCREASING FEDERAL ADJUSTED GROSS INCOME.] There shall be added to federal adjusted gross income:

(1) Interest income on obligations of any state other than Minnesota or a political subdivision of any other state exempt from federal income taxes under the Internal Revenue Code of 1954;

(2) (A BUSINESS CASUALTY LOSS IF THE TAXPAYER ELECTED TO DEDUCT THE LOSS ON THE CURRENT YEAR'S FEDERAL INCOME TAX RETURN BUT HAD DEDUCTED THE LOSS ON THE PREVIOUS YEAR'S MINNESOTA INCOME TAX RETURN;)

((3)) Income taxes imposed by this state or any other taxing jurisdiction, to the extent deductible in determining federal adjusted gross income and not credited against federal income tax;

((4)) (3) Interest on indebtedness incurred or continued to purchase or carry securities the income from which is exempt from tax under this chapter, to the extent deductible in determining federal adjusted gross income;

((5)) AMOUNTS RECEIVED AS REIMBURSEMENTS FOR AN EXPENSE OF SICKNESS OR INJURY WHICH WAS DEDUCTED IN A PRIOR TAXABLE YEAR TO THE EXTENT THAT THE DEDUCTION FOR THE REIMBURSED EXPENDITURE RESULTED IN A TAX BENEFIT;)

((6)) THE AMOUNT OF ANY FEDERAL INCOME TAX OVERPAYMENT FOR ANY PREVIOUS TAXABLE YEAR, RECEIVED AS REFUND OR CREDITED TO ANOTHER TAXABLE YEAR'S INCOME TAX LIABILITY, PROPORTIONATE TO THE PERCENTAGE OF FEDERAL INCOME TAX THAT WAS CLAIMED AS A DEDUCTION IN DETERMINING MINNESOTA INCOME TAX FOR THE PREVIOUS TAXABLE YEAR. THE AMOUNT OF THE FEDERAL INCOME TAX OVERPAYMENT SHALL BE REPORTED ONLY TO THE EXTENT THAT THE AMOUNT RESULTED IN A REDUCTION OF THE TAX IMPOSED BY THIS CHAPTER.)

(THE OVERPAYMENT REFUND OR CREDIT, DETERMINED WITH RESPECT TO A HUSBAND AND WIFE ON A JOINT FEDERAL INCOME TAX RETURN FOR A PREVIOUS TAXABLE YEAR, SHALL BE REPORTED ON JOINT, COMBINED, OR SEPARATE MINNESOTA INCOME TAX RETURNS. IN THE CASE OF COMBINED OR SEPARATE MINNESOTA RETURNS, THE OVERPAYMENT SHALL BE REPORTED BY EACH SPOUSE PROPORTIONATELY ACCORDING TO THE RELATIVE AMOUNTS OF FEDERAL INCOME TAX CLAIMED AS A DEDUCTION ON HIS OR HER COMBINED OR SEPARATE MINNESOTA INCOME TAX RETURN FOR SUCH PREVIOUS TAXABLE YEAR;)

((7)) (4) In the case of a change of residence from Minnesota to another state or nation, the amount of moving expenses which exceed total reimbursements and which were therefore deducted in arriving at federal adjusted gross income;

((8)) (5) The amount of any increase in the taxpayer's federal tax liability under section 47 of the Internal Revenue Code of 1954 to the extent of the credit under section 38 of the Internal Revenue Code of 1954 that was previously allowed as a deduction under *Minnesota Statutes 1982, section 290.01*, subdivision 20b, clause (7);

((9)) (6) Expenses and losses arising from a farm which are not allowable under section 290.09, subdivision 29;

((10)) (7) Expenses and depreciation attributable to substandard buildings disallowed by section 290.101;

((11)) (8) The amount by which the gain determined pursuant to section 41.59, subdivision 2 exceeds the amount of such gain included in federal adjusted gross income;

((12)) TO THE EXTENT DEDUCTED IN COMPUTING THE TAXPAYER'S FEDERAL ADJUSTED GROSS INCOME FOR THE TAXABLE YEAR, LOSSES RECOGNIZED UPON A TRANSFER OF PROPERTY TO THE SPOUSE OR FORMER SPOUSE OF THE TAXPAYER IN EXCHANGE FOR THE RELEASE OF THE SPOUSE'S MARITAL RIGHTS;)

((13)) (9) Interest income from qualified scholarship funding bonds as defined in section 103(e) of the Internal Revenue Code of 1954, if the nonprofit corporation is domiciled outside of Minnesota;

((14)) (10) Exempt-interest dividends, as defined in section 852(b)(5)(A) of the Internal Revenue Code of 1954, not included in federal adjusted gross income pursuant to section 852(b)(5)(B) of the Internal Revenue Code of 1954, except for that portion

of exempt-interest dividends derived from interest income on obligations of the state of Minnesota, any of its political or governmental subdivisions, any of its municipalities, or any of its governmental agencies or instrumentalities;

((15)) (11) The amount of any excluded gain recognized by a trust on the sale or exchange of property as defined in section 641(c)(1) of the Internal Revenue Code of 1954;

((16) TO THE EXTENT NOT INCLUDED IN THE TAXPAYER'S FEDERAL ADJUSTED GROSS INCOME, THE AMOUNT OF ANY GAIN, FROM THE SALE OR OTHER DISPOSITION OF PROPERTY HAVING A LOWER ADJUSTED BASIS FOR MINNESOTA INCOME TAX PURPOSES THAN FOR FEDERAL INCOME TAX PURPOSES. THIS MODIFICATION SHALL NOT EXCEED THE DIFFERENCE IN BASIS. IF THE GAIN IS CONSIDERED A LONG TERM CAPITAL GAIN FOR FEDERAL INCOME TAX PURPOSES, THE MODIFICATION SHALL BE LIMITED TO 40 PERCENT OF THE PORTION OF THE GAIN. THIS MODIFICATION IS LIMITED TO PROPERTY THAT QUALIFIED FOR THE ENERGY CREDIT CONTAINED IN SECTION 290.06, SUBDIVISION 14, AND TO PROPERTY ACQUIRED IN EXCHANGE FOR THE RELEASE OF THE TAXPAYER'S MARITAL RIGHTS CONTAINED IN SECTION 290.14, CLAUSE (7);)

((17)) (12) The amount of any loss from a source outside of Minnesota which is not allowed under section 290.17 including any capital loss or net operating loss carryforwards or carrybacks resulting from the loss;

((18) THE AMOUNT OF A DISTRIBUTION FROM AN INDIVIDUAL HOUSING ACCOUNT WHICH IS TO BE INCLUDED IN GROSS INCOME AS REQUIRED UNDER SECTION 290.08, SUBDIVISION 25;)

((19)) (13) To the extent deducted in computing the taxpayer's federal adjusted gross income, interest, taxes and other expenses which are not allowed under section 290.10, clause (9) or (10);

((20) TO THE EXTENT EXCLUDED FROM FEDERAL ADJUSTED GROSS INCOME, IN THE CASE OF A CITY MANAGER OR CITY ADMINISTRATOR WHO ELECTS TO BE EXCLUDED FROM THE PUBLIC EMPLOYEES RETIREMENT ASSOCIATION AND WHO MAKES CONTRIBUTIONS TO A DEFERRED COMPENSATION PROGRAM PURSUANT TO SECTION 353.028, THE AMOUNT OF CONTRIBUTIONS MADE BY THE CITY MANAGER OR ADMINISTRATOR WHICH IS EQUAL TO THE AMOUNT WHICH WOULD HAVE BEEN THE CITY MANAGER'S OR ADMINISTRATOR'S EMPLOYEE CONTRIBUTION. PUR-

SUANT TO SECTION 353.27, SUBDIVISION 2, IF HE WERE A MEMBER OF THE PUBLIC EMPLOYEES RETIREMENT ASSOCIATION;)

((21)) (14) The deduction for two-earner married couples provided in section 221 of the Internal Revenue Code of 1954;

((22) INTEREST ON ALL-SAVERS CERTIFICATES WHICH IS EXCLUDED UNDER SECTION 128 OF THE INTERNAL REVENUE CODE OF 1954;)

((23)) (15) Losses from the business of mining as defined in section 290.05, subdivision 1, clause (a) which is not subject to the Minnesota income tax;

((24) EXPENSES AND DEPRECIATION ATTRIBUTABLE TO PROPERTY SUBJECT TO LAWS 1982, CHAPTER 523, ARTICLE 7, SECTION 3 WHICH HAS NOT BEEN REGISTERED;)

((25)) (16) *To the extent deducted in computing the taxpayer's federal adjusted gross income, the amount of contributions to an individual retirement account, (SIMPLIFIED EMPLOYEE PENSION PLAN, OR SELF-EMPLOYED RETIREMENT PLAN WHICH IS ALLOWED UNDER SECTIONS 311 AND 312 OF PUBLIC LAW NUMBER 97-34 TO THE EXTENT THOSE CONTRIBUTIONS WERE NOT AN ALLOWABLE DEDUCTION PRIOR TO THE ENACTMENT OF THAT LAW) including a qualified voluntary employee contribution, but excluding employer contributions to a simplified employee pension plan and contributions made by a taxpayer who was not an active participant during the taxable year in a simplified employee pension plan or in a qualified employer plan or a government plan as defined in section 219(e) of the Internal Revenue Code of 1954;*

((26) TO THE EXTENT DEDUCTED IN COMPUTING FEDERAL ADJUSTED GROSS INCOME, LIVING EXPENSES OF A MEMBER OF CONGRESS IN EXCESS OF THAT ALLOWABLE UNDER SECTION 290.09, SUBDIVISION 2, CLAUSE (A) (3);) and

((27)) (17) To the extent not included in the taxpayer's federal adjusted gross income, the amount of any contributions to a qualified pension plan, designated as employee contributions but which the employing unit picks up and which are treated as employer contributions pursuant to section 414(h)(2) of the Internal Revenue Code of 1954.

Sec. 4. Minnesota Statutes 1982, section 290.01, subdivision 20b, as amended by Laws 1982, Third Special Session chapter 1, article V, section 2, is amended to read:

Subd. 20b. [MODIFICATIONS REDUCING FEDERAL ADJUSTED GROSS INCOME.] There shall be subtracted from federal adjusted gross income:

(1) Interest income on obligations of any authority, commission or instrumentality of the United States to the extent includible in gross income for federal income tax purposes but exempt from state income tax under the laws of the United States;

(2) The portion of any gain, from the sale or other disposition of property having a higher adjusted basis for Minnesota income tax purposes than for federal income tax purposes, that does not exceed such difference in basis; but if such gain is considered a long-term capital gain for federal income tax purposes, the modification shall be limited to 40 per centum of the portion of the gain. This modification shall not be applicable if the difference in basis is due to disallowance of depreciation pursuant to section 290.101.

(3) Income from the performance of personal or professional services which is subject to the reciprocity exclusion contained in section 290.081, clause (a);

(4) Losses, not otherwise reducing federal adjusted gross income assignable to Minnesota, arising from events or transactions which are assignable to Minnesota under the provisions of sections 290.17 to 290.20, including any capital loss or net operating loss carryforwards or carrybacks or out of state loss carryforwards resulting from the losses, and including any farm loss carryforwards or carrybacks;

(5) If included in federal adjusted gross income, the amount of any credit received, whether received as a refund or credit to another taxable year's income tax liability, pursuant to chapter 290A, and the amount of any overpayment of income tax to Minnesota, or any other state, for any previous taxable year, whether the amount is received as a refund or credited to another taxable year's income tax liability;

(6) To the extent included in federal adjusted gross income, or the amount reflected as the ordinary income portion of a lump sum distribution under section 402(e) of the Internal Revenue Code of 1954, notwithstanding any other law to the contrary, the amount received by any person (i) from the United States, its agencies or instrumentalities, the Federal Reserve Bank or from the state of Minnesota or any of its political or governmental subdivisions or from any other state or its political or governmental subdivisions, or a Minnesota volunteer firefighter's relief association, by way of payment as a pension, public employee retirement benefit, or any combination thereof, (OR) (ii) as a retirement or survivor's benefit made from a plan qualifying under section 401, 403, 404, 405, 408, 409 or

409A of the Internal Revenue Code or 1954, or (iii) severance pay distributed to an individual upon discontinuance of the individual's employment due to termination of business operations by the individual's employer, provided that the termination is reasonably likely to be permanent, involves the discharge of at least 75 percent of the employees at that site within a one year period, and the business is not acquired by another person who continues operations at that site. The maximum amount of this subtraction shall be \$11,000 less the amount by which the individual's federal adjusted gross income, plus the ordinary income portion of a lump sum distribution as defined in section 402(e) of the Internal Revenue Code of 1954, exceeds \$17,000. For purposes of this clause, "severance pay" means an amount received for cancellation of an employment contract or a collectively bargained termination payment made as a substitute for income which would have been earned for personal services to be rendered in the future. In the case of a volunteer firefighter who receives an involuntary lump sum distribution of his pension or retirement benefits, the maximum amount of this subtraction shall be \$11,000; this subtraction shall not be reduced by the amount of the individual's federal adjusted gross income in excess of \$17,000;

(7) (THE AMOUNT OF ANY CREDIT TO THE TAXPAYER'S FEDERAL TAX LIABILITY UNDER SECTION 38 OF THE INTERNAL REVENUE CODE OF 1954 BUT ONLY TO THE EXTENT THAT THE CREDIT IS CONNECTED WITH OR ALLOCABLE AGAINST THE PRODUCTION OR RECEIPT OF INCOME INCLUDED IN THE MEASURE OF THE TAX IMPOSED BY THIS CHAPTER;)

((8) TO THE EXTENT INCLUDED IN THE TAXPAYER'S FEDERAL ADJUSTED GROSS INCOME FOR THE TAXABLE YEAR, GAIN RECOGNIZED UPON A TRANSFER OF PROPERTY TO THE SPOUSE OR FORMER SPOUSE OF THE TAXPAYER IN EXCHANGE FOR THE RELEASE OF THE SPOUSE'S MARITAL RIGHTS;)

((9)) The amount of any distribution from a qualified pension or profit sharing plan included in federal adjusted gross income in the year of receipt to the extent of any contribution not previously allowed as a deduction by reason of a change in federal law which was not adopted by Minnesota law for a taxable year beginning in 1974 or later;

((10)) (8) Interest, including payment adjustment to the extent that it is applied to interest, earned by the seller of the property on a family farm security loan executed before January 1, 1986 that is guaranteed by the commissioner of agriculture as provided in sections 41.51 to 41.60;

((11)) (9) The first \$3,000 of compensation for personal services in the armed forces of the United States or the United

Nations, and the next \$2,000 of compensation for personal services in the armed forces of the United States or the United Nations wholly performed outside the state of Minnesota. This modification does not apply to compensation defined in subdivision 20b, clause (6);

((12)) (10) The amount of any income earned for personal services rendered outside of Minnesota prior to the date when the taxpayer became a resident of Minnesota. This modification does not apply to compensation defined in subdivision 20b, clause (6);

((13)) (11) In the case of wages or salaries paid or incurred on or after January 1, 1977, the amount of any credit for employment of certain new employees under sections 44B and 51 to 53 of the Internal Revenue Code of 1954 which is claimed as a credit against the taxpayer's federal tax liability, but only to the extent that the credit is connected with or allocable against the production or receipt of income included in the measure of the tax imposed by this chapter;

((14)) (12) In the case of work incentive program expenses paid or incurred on or after January 1, 1979, the amount of any credit for expenses of work incentive programs under sections 40, 50A and 50B of the Internal Revenue Code of 1954 which is claimed as a credit against the taxpayer's federal tax liability, but only to the extent that the credit is connected with or allocable against the production or receipt of income included in the measure of the tax imposed by this chapter;

((15)) (13) Unemployment compensation to the extent includible in gross income for federal income tax purposes under section 85 of the Internal Revenue Code of 1954 *only if the taxpayer's federal adjusted gross income does not exceed \$20,000, or \$30,000 if the taxpayer files a joint federal income tax return;*

((16) TO THE EXTENT INCLUDED IN FEDERAL ADJUSTED GROSS INCOME, SEVERANCE PAY THAT MAY BE TREATED AS A LUMP SUM DISTRIBUTION UNDER THE PROVISIONS OF SECTION 290.032, SUBDIVISION 5;)

((17)) (14) The amount of any income or gain which is not assignable to Minnesota under the provisions of section 290.17;

((18) MINNESOTA EXEMPT-INTEREST DIVIDENDS AS PROVIDED BY SUBDIVISION 27;)

((19) A BUSINESS CASUALTY LOSS WHICH THE TAXPAYER ELECTED TO DEDUCT ON THE CURRENT YEAR'S MINNESOTA INCOME TAX RETURN BUT DID NOT DEDUCT ON THE CURRENT YEAR'S FEDERAL INCOME TAX RETURN;)

((20) TO THE EXTENT INCLUDED IN FEDERAL ADJUSTED GROSS INCOME, IN THE CASE OF A CITY MANAGER OR CITY ADMINISTRATOR WHO ELECTS TO BE EXCLUDED FROM THE PUBLIC EMPLOYEES RETIREMENT ASSOCIATION AND WHO MAKES CONTRIBUTIONS TO A DEFERRED COMPENSATION PROGRAM PURSUANT TO SECTION 353.028, THE AMOUNT OF PAYMENTS FROM THE DEFERRED COMPENSATION PROGRAM EQUIVALENT TO THE AMOUNT OF CONTRIBUTIONS TAXED UNDER SUBDIVISION 20A, CLAUSE (20);)

((21) CONTRIBUTIONS TO AND INTEREST EARNED ON AN INDIVIDUAL HOUSING ACCOUNT AS PROVIDED BY SECTION 290.08, SUBDIVISION 25;)

((22)) (15) Interest earned on a contract for deed entered into for the sale of property for agricultural use if the rate of interest set in the contract is no more than nine percent per year for the duration of the term of the contract. This exclusion shall be available only if (1) the purchaser is an individual who, together with his spouse and dependents, has a total net worth valued at less than \$150,000 and (2) the property sold under the contract is farm land as defined in section 41.52, subdivision 6 of no more than 1,000 acres that the purchaser intends to use for agricultural purposes. Compliance with these requirements shall be stated in an affidavit to be filed with the first income tax return on which the taxpayer claims the exclusion provided in this clause. Upon request accompanied by the information necessary to make the determination, the commissioner shall determine whether interest to be paid on a proposed transaction will qualify for this exclusion; the determination shall be provided within 30 days of receipt of the request, unless the commissioner finds it necessary to obtain additional information, or verification of the information provided, in which case the determination shall be provided within 30 days of receipt of the final item of information or verification. The exclusion provided in this clause shall apply to interest earned on contracts for deed entered into after December 31, 1981 and before July 1, 1983;

((23) THE PENALTY ON THE EARLY WITHDRAWAL OF AN ALL-SAVERS CERTIFICATE AS PROVIDED IN SECTION 128(E) OF THE INTERNAL REVENUE CODE OF 1954 TO THE EXTENT THAT THE INTEREST WAS INCLUDED IN INCOME UNDER SUBDIVISION 20A, CLAUSE (22);)

((24)) (16) Income from the business of mining as defined in section 290.05, subdivision 1, clause (a) which is not subject to the Minnesota income tax; (AND)

((25)) (17) To the extent included in federal adjusted gross income, distributions from a qualified governmental pension plan

which represent a return of designated employee contributions to the plan and which contributions were included in gross income pursuant to subdivision 20a, clause ((27)) (17); and

(18) *To the extent included in federal adjusted gross income, distributions from an individual retirement account which represent a return of designated employee contributions if the contributions were included in gross income pursuant to subdivision 20a, clause (16). If the distribution is received as an annuity, the portion of the distribution which constitutes a return of contributions included in gross income shall be determined by applying the provisions of section 72 of the Internal Revenue Code of 1954 as if the contributions included in gross income were the investment in the contract. If the distribution is not an annuity, it shall be allocated first to return of contributions included in gross income until the amount of the contributions has been exhausted.*

Sec. 5. Minnesota Statutes 1982, section 290.01, subdivision 20f, is amended to read:

Subd. 20f. [MODIFICATION FOR ACCELERATED COST RECOVERY SYSTEM.] A modification shall be made for the allowable deduction under the accelerated cost recovery system (AS PROVIDED IN SUBDIVISION 28). *The allowable deduction for the accelerated cost recovery system as provided in section 168 of the Internal Revenue Code of 1954 shall be the same amount as provided in that section for individuals, estates, and trusts with the following modifications:*

(1) *For property placed in service after December 31, 1980, and for taxable years beginning before January 1, 1982, 15 percent of the allowance provided in section 168 of the Internal Revenue Code of 1954 shall not be allowed.*

(2)(a) *For taxable years beginning after December 31, 1981, and before January 1, 1983, for 15 year real property as defined in section 168 of the Internal Revenue Code of 1954, 40 percent of the allowance provided in section 168 of the Internal Revenue Code of 1954 shall not be allowed and for all other property, 17 percent of the allowance shall not be allowed.*

(b) *For taxable years beginning after December 31, 1982 and for property placed in service in taxable years beginning before January 1, 1983, for 15 year real property as defined in section 168 of the Internal Revenue Code of 1954, 40 percent of the allowance provided in section 168 of the Internal Revenue Code of 1954 shall not be allowed and for all other property 20 percent of the allowance shall not be allowed.*

(3) *For property placed in service in taxable years beginning after December 31, 1982, the allowable deduction shall be the*

amount provided by section 168 of the Internal Revenue Code of 1954.

(4) For property placed in service after December 31, 1980, for which the taxpayer elects to use the straight line method provided in section 168(b)(3) or a method provided in section 168(e)(2) of the Internal Revenue Code of 1954, the modifications provided in clauses (1) and (2) do not apply.

(5) For property subject to the modifications contained in clause (1) or (2) above, the following modification shall be made after the entire amount of the allowable deduction for that property under the provision of section 168 of the Internal Revenue Code of 1954 has been obtained. The remaining depreciable basis in those assets for Minnesota purposes shall be a depreciation allowance computed by using the straight line method over the following number of years:

- (a) 3 year property—1 year.
- (b) 5 year property—2 years.
- (c) 10 year property—5 years.
- (d) All 15 year property—7 years.

(6) The basis of property to which section 168 of the Internal Revenue Code of 1954 applies shall be its basis as provided in this chapter and including the modifications provided in this subdivision. The recapture tax provisions provided in sections 1245 and 1250 of the Internal Revenue Code of 1954 shall apply but shall be calculated using the basis provided in the preceding sentence. When an asset is exchanged for another asset including an involuntary conversion and under the provision of the Internal Revenue Code of 1954 gain is not recognized in whole or in part on the exchange of the first asset, the basis of the second asset shall be the same as its federal basis provided that the difference in basis due to clause (1) or (2) can be written off as provided in clause (5).

(7) The modifications provided in this subdivision shall apply before applying any limitation to out of state losses contained in section 290.17 or farm losses contained in section 290.09, subdivision 29.

(8) After the entire amount of the allowable deduction for that property under the provisions of section 168 of the Internal Revenue Code of 1954 has been obtained, the remaining depreciable basis in those assets for Minnesota purposes that shall be allowed as provided in clause (5) shall include the amount of any basis reduction made for federal purposes under section 48(q) of the Internal Revenue Code of 1954 to reflect the invest-

ment tax credit. No amount shall be allowed as a deduction under section 196 of the Internal Revenue Code of 1954.

Sec. 6. Minnesota Statutes 1982, section 290.05, subdivision 6, is amended to read:

Subd. 6. The Internal Revenue Code referred to in any of the subdivisions of this section means the Internal Revenue Code of 1954, as amended through (DECEMBER 31, 1981) *March 12, 1983.*

Sec. 7. Minnesota Statutes 1982, section 290.06, subdivision 2e, as amended by Laws 1982, Third Special Session chapter 1, article V, section 3, is amended to read:

Subd. 2e. [ADDITIONAL INCOME TAX.] In addition to the tax computed pursuant to subdivisions 2c and 2d or subdivision 3d, there is hereby imposed an additional income tax on individuals, estates, and trusts, other than those taxable as corporations. The additional tax shall be computed by applying the following rates to the tax computed pursuant to subdivision 3d or, in the case of an individual who does not qualify for the low income alternative tax and estates and trusts, the tax computed pursuant to subdivisions 2c and 2d and sections 290.032 and 290.091 (LESS) *before subtraction of the credits allowed by sections 290.06, subdivisions 3e, 3f, 9, 9a, 11 and 14; and 290.081. The commissioner shall incorporate the surtax into the income tax tables.*

(1) For taxable years beginning after December 31, 1981, but before January 1, 1983, seven percent;

(2) For taxable years beginning after December 31, 1982, but before January 1, (1984) 1985, (5) 8.5 percent;

(3) *For taxable years beginning after December 31, 1984, but before January 1, 1986, 4.25 percent.*

On October 1, 1983 the commissioner of finance shall determine the amount of the state's unrestricted general fund balance at the close of the 1982-1983 biennium. If this amount is more than \$150,000,000, the commissioner shall reduce the rate of the surtax in effect for taxable years beginning after December 31, 1982 and before January 1, 1984, so that the amount of revenue raised by the surtax results in a fund balance of no more than \$150,000,000, provided that the rate so determined shall be rounded upward to the next one-tenth of one percent and no adjustment shall be required if the change in the rate of the surtax would be less than one-tenth of one percent.

Sec. 8. [ADJUSTMENT TO WITHHOLDING AND DECLARATIONS.]

For taxable years beginning after December 31, 1984, but before January 1, 1986, the commissioner of revenue shall adjust the withholding tables, notwithstanding section 290.92, subdivision 2a, so that the additional tax imposed by section 7 for the entire year is withheld and remitted by employers as if the additional tax were imposed at a rate of ten percent during the first six months of the taxable year.

For the same period, the commissioner shall require that declarations filed for the first six months of the taxable year by individuals shall include the additional tax imposed by section 7.

Sec. 9. [290.088] [DEDUCTION FOR FEDERAL INCOME TAXES.]

Adjusted gross income for individuals, estates, and trusts shall be computed by allowing to individuals, estates, and trusts a deduction from gross income for federal income taxes. The amount of the deduction is determined under section 290.18, subdivision 2.

Sec. 10. [290.089] [DEDUCTIONS FROM GROSS INCOME; INDIVIDUALS.]

Subdivision 1. [AMOUNT ALLOWED.] In computing the net income of individuals, an amount determined pursuant to subdivision 2 or 3 is allowed as a deduction.

Subd. 2. [ITEMIZED DEDUCTIONS.] Subject to the provisions of section 290.18, subdivision 1, an amount equal to the amount determined pursuant to section 63(f) of the Internal Revenue Code is allowed with the following adjustments:

(a) Add the amount paid to others not to exceed \$500 for each dependent in grades K to 6 and \$700 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;

(b) Add the amount of foreign income taxes which were paid or accrued during the taxable year and for which no deduction was allowed for federal purposes under section 275 of the Internal Revenue Code because the taxpayer chose to claim the federal foreign tax credit;

(c) Add the amount by which the deduction for the taxable year allowed pursuant to subdivision 4 exceeds the amount determined pursuant to section 222 of the Internal Revenue Code;

(d) Subtract income taxes paid or accrued within the taxable year under this chapter;

(e) Subtract income taxes paid to any other state or to any province or territory of Canada if a credit is allowed for the taxes under section 290.081;

(f) If the deduction computed under section 164 of the Internal Revenue Code is not reduced by the amount of the credit or refund allowed under chapter 290A, subtract that amount;

(g) Subtract the amount of interest on investment indebtedness paid or accrued in a taxable year beginning before January 1, 1981, which has been carried forward and is allowed as a deduction in the taxable year under section 163(d) of the Internal Revenue Code.

Subd. 3. [STANDARD DEDUCTION.] In lieu of the deductions provided in subdivision 2, an individual may claim or be allowed a standard deduction as follows:

(a) Subject to modification pursuant to clause (b), the standard deduction shall be an amount equal to ten percent of the adjusted gross income of the taxpayer, up to a maximum deduction of \$2,250.

In the case of a husband and wife, the standard deduction shall not be allowed to either if the net income of one of the spouses is determined without regard to the standard deduction.

(b) The maximum amount of the standard deduction shall be adjusted for inflation in the same manner as provided in section 290.06, subdivision 2d, for the expansion of the taxable net income brackets.

(c) The commissioner of revenue may establish a standard deduction tax table incorporating the rates set forth in section 290.06, subdivision 2c, and the standard deduction. The tax of any individual taxpayer whose adjusted gross income is less than \$20,000 shall, if an election is made not to itemize nonbusiness deductions, be computed in accordance with tables prepared and issued by the commissioner of revenue. The tables shall be pre-

pared to reflect the allowance of the standard deduction and the personal and dependent credits.

Subd. 4. [ADOPTION EXPENSES.] An individual taxpayer is allowed a deduction for the expenses incurred during the taxable year arising from the adoption of one or more children, including attorney fees, court costs, social or adoption agency fees, and other necessary costs in connection with an adoption; the total expense, however, shall not exceed \$1,500 per child adopted. If under the taxpayer's system of accounting, the expense is deductible in two different taxable years, the total deduction for the two years shall not exceed \$1,500 per child.

Subd. 5. [COMPUTATION OF MINNESOTA DEDUCTIONS.] An individual who does not itemize deductions for federal purposes but does itemize deductions for Minnesota purposes shall compute that person's deductions for Minnesota as if that person had itemized their deductions for federal purposes under the provisions of subdivision 2. The individual shall be allowed as an itemized deduction for Minnesota the charitable contributions claimed as a deduction for federal purposes under the provisions of section 170(i) of the Internal Revenue Code.

Subd. 6. [SEPARATE RETURNS ON SINGLE FORM.] In the case of a husband and wife who filed a joint federal income tax return but filed separate Minnesota income tax returns, the amount of the itemized deductions that shall be allowed shall be the same amount that was allowed on their joint federal income tax return and as modified by subdivision 2. The deductions shall be divided between them based on who incurred and paid the amount which qualifies as a deduction. Amounts which qualify as a deduction and which are paid from joint funds may be divided between the spouses as they elect.

Subd. 7. [INTERNAL REVENUE CODE.] The Internal Revenue Code referred to in any of the subdivisions of this section means the Internal Revenue Code of 1954, as amended through March 12, 1983.

Sec. 11. Minnesota Statutes 1982, section 290.06, subdivision 11, is amended to read:

Subd. 11. [CONTRIBUTIONS TO POLITICAL PARTIES AND CANDIDATES.] (IN LIEU OF THE DEDUCTION PROVIDED BY SECTION 290.21, SUBDIVISION 3, CLAUSE (E).) A taxpayer may take a credit against the tax due under this chapter of 50 percent of his contributions to candidates for elective state or federal public office and to any political party. The maximum credit for an individual shall not exceed \$50 and, for a married couple filing jointly or filing a combined return, shall not exceed \$100. No credit shall be allowed under this subdivision for a contribution to any candidate, other than a candidate for elective judicial office or federal office, who has not

signed an agreement to limit his campaign expenditures as provided in section 10A.32, subdivision 3b. For purposes of this subdivision, a political party means a major political party as defined in section 200.02, subdivision 7.

This credit shall be allowed only if the contribution is verified in the manner the commissioner of revenue shall prescribe.

Sec. 12. Minnesota Statutes 1982, section 290.06, subdivision 14, is amended to read:

Subd. 14. [RESIDENTIAL ENERGY CREDIT.] A credit of 20 percent of the first \$10,000 of renewable energy source expenditures, including the expenditures described in clauses (a), (b) and (d) if made by an individual taxpayer on a Minnesota building of six dwelling units or less and expenditures for biomass conversion equipment described in clause (c), may be deducted from the tax due under this chapter for the taxable year in which the expenditures were made. For purposes of this subdivision, the term "building" shall include a condominium or townhouse used by the taxpayer as a residence. In the case of qualifying expenditures incurred in connection with a building under construction by a contractor, the credit shall be deducted from the tax liability of the first individual to purchase the building for use as a principal residence or for residential rental purposes; the contractor shall not be eligible for the credit given pursuant to this subdivision for that expenditure.

A "renewable energy source expenditure" which qualifies shall include:

(a) Expenditures which qualify for the federal renewable energy source credit, pursuant to Section 44C of the Internal Revenue Code of 1954, as amended through December 31, 1981, and any regulations promulgated pursuant thereto, provided that, after December 31, 1980, any solar collector included in the claimed expenditure is certified by the commissioner of energy, planning and development. A solar collector is a device designed to absorb incident solar radiation, convert it to thermal energy, and transfer the thermal energy to a fluid passing through or in contact with the device. "Solar collector" shall not include passive solar energy systems as defined in clause (d);

(b) Expenditures for earth sheltered dwelling units. For purposes of this credit, an "earth sheltered dwelling unit" shall mean a structure which complies with applicable building standards and which is constructed so that:

(1) 80 percent or more of the roof area is covered with a minimum depth of 12 inches of earth; and

(2) 50 percent or more of the wall area is covered with a minimum depth of 12 inches of earth; and

(3) Those portions of the structure not insulated with a minimum of seven feet of earth shall have additional insulation;

(c) Expenditures for biomass conversion equipment located in Minnesota which produces ethanol, methane or methanol for use as a gaseous or as a liquid fuel which is not offered for sale; and

(d) Expenditures for passive solar energy systems. For purposes of this credit, a "passive solar energy system" is defined to include systems which utilize elements of the building and its operable components to heat or cool a building with the sun's energy by means of conduction, convection, radiation, or evaporation. A passive system shall include:

(1) Collection aperture, including glazing installed in south facing walls and roofs; and

(2) Storage element, including thermal mass in the form of water, masonry, rock, concrete, or other mediums which is designed to store heat collected from solar radiation.

A passive system may include either or both:

(1) Control and distribution element, including fans, louvers, and air ducts; or

(2) Retention element, including movable insulation used to minimize heat loss caused by nocturnal radiation through areas used for direct solar heat gain during daylight hours.

Eligible passive expenditures shall be for equipment, materials or devices that are an integral part of the components listed above and essential to the functioning of a passive design which qualifies pursuant to rules adopted by the commissioner of revenue in cooperation with the commissioner of energy, planning and development. Expenditures for equipment, materials, or devices which are a part of the normal heating, cooling, or insulation system of a building are not eligible for the credit.

If a credit was allowed to a taxpayer under this subdivision for any prior taxable year, the dollar amount of the maximum expenditure for which a taxpayer may qualify for a credit under this subdivision in subsequent years shall be \$10,000 reduced by the amount of expenditures which a credit was claimed pursuant to this subdivision in prior years. A taxpayer shall never be allowed to claim more than \$10,000 of expenditures during the duration of the renewable energy credit.

The credit provided in this subdivision shall not be allowed in a taxable year if the amount of the credit would be less than \$10.

If the credit allowable under this subdivision exceeds the amount of tax due in a taxable year, the excess credit shall not be refunded but may be carried forward to the succeeding taxable year and added to the credit allowable for that year. No amount may be carried forward to a taxable year beginning after December 31, 1987.

A shareholder in a family farm corporation and each partner in a partnership operating a family farm shall be eligible for the credit provided by this subdivision in the same manner and to the same extent allowed a joint owner of property under section 44C (d) of the Internal Revenue Code of 1954, as amended through December 31, 1981. "Family farm corporation" and "family farm" have the meanings given in section 500.24.

The credit provided in this subdivision is subject to the provisions of Section 44C, (c) (7) and (10), and (d) (1) to (3), (AND (E),) of the Internal Revenue Code of 1954, as amended through December 31, 1981, and any regulations promulgated pursuant thereto.

The commissioner of revenue in cooperation with the commissioner of energy, planning and development shall adopt rules establishing additional qualifications and definitions for the credits provided in this subdivision.

Notwithstanding section 290.61, the commissioner of revenue may request the commissioner of energy, planning and development to assist in the review and auditing of the information furnished by the taxpayer for purposes of claiming this credit. The provisions of section 290.61 shall apply to employees of the department of energy, planning and development who receive information furnished by a taxpayer for purposes of claiming this credit.

The commissioner of energy, planning and development shall adopt rules establishing the criteria for certification of solar collectors as required by clause (a). The criteria shall:

- (1) Specify the testing procedures to be used in the evaluation of solar collectors;
- (2) Establish minimum levels of collector quality for safety;
- (3) Provide a means to determine the maintainability and structural integrity of solar collectors;
- (4) Establish a system for evaluating and rating the thermal performance of solar collectors;
- (5) Specify the procedures to follow to obtain certification of a solar collector;

(6) Conform to the maximum extent practicable to the solar collector certification requirements of other states which have adopted certification procedures; and

(7) Allow for individual variation so as not to hamper the development of innovative solar collectors.

The commissioner of energy, planning and development may adopt temporary rules pursuant to sections 14.29 to 14.36 to establish this certification procedure.

This subdivision is effective for expenditures made during taxable years beginning after December 31, 1978 and before January 1, 1986.

Sec. 13. Minnesota Statutes 1982, section 290.067, subdivision 1, is amended to read:

Subdivision 1. [AMOUNT OF CREDIT.] A taxpayer may take as a credit against the tax due from him and his spouse, if any, under this chapter an amount equal to the dependent care credit for which he is eligible pursuant to the provisions of section 44A of the Internal Revenue Code of 1954, as amended through December 31, (1981) 1982, except that the applicable percentage of the employment-related expenses shall be 20 percent and subject to the other limitations provided in subdivision 2.

Sec. 14. Minnesota Statutes 1982, section 290.067, subdivision 2, is amended to read:

Subd. 2 [LIMITATIONS.] The credit for expenses incurred for the care of each dependent shall not exceed (\$400) \$720 in any taxable year, and the total credit for all dependents of a claimant shall not exceed (\$800) \$1,440 in a taxable year. The total credit shall be reduced (BY FIVE PERCENT OF THE AMOUNT BY WHICH) *according to the amount of the combined federal adjusted gross income, plus the ordinary income portion of any lump sum distribution under section 402(e) of the Internal Revenue Code of 1954, as amended through December 31, (1981) 1982, of the claimant and his spouse, if any, (EXCEEDS \$15,000.) as follows:*

income up to \$10,000, \$720 maximum for one dependent, \$1,440 for all dependents;

income of \$10,001 to \$11,000, \$670 maximum for one dependent, \$1,340 for all dependents;

income of \$11,001 to \$12,000, \$620 maximum for one dependent, \$1,240 for all dependents;

income of \$12,001 to \$13,000, \$570 maximum for one dependent, \$1,140 for all dependents;

income of \$13,001 to \$15,000, \$520 maximum for one dependent, \$1,040 for all dependents;

income of \$15,001 to \$22,000, \$400 maximum for one dependent, \$800 for all dependents, reduced by five percent of the amount by which the income exceeds \$15,000, plus \$70;

income of \$22,001 to \$23,000, \$70 for one dependent, \$140 for all dependents;

income of \$23,001 to \$24,000, \$20 for one dependent, \$40 for all dependents;

\$24,001 and over, no credit.

A married claimant shall file his income tax return for the year for which he claims the credit either jointly or separately on one form with his spouse. In the case of a married claimant only one spouse may claim the credit.

Sec. 15. Minnesota Statutes 1982, section 290.09, subdivision 1, is amended to read:

Subdivision 1. [LIMITATIONS.] ((A)) *Except as provided in this subdivision, the (FOLLOWING) deductions provided in this section from gross income shall only be allowed to corporations in computing net income (, PROVIDED THAT ANY ITEM WHICH WAS DEDUCTED IN ARRIVING AT GROSS INCOME UNDER THE PROVISIONS OF SECTION 290.01, SUBDIVISIONS 20 TO 20F, SHALL NOT BE AGAIN DEDUCTED UNDER THIS SECTION.)*

((B) PROPERTY TAXES MAY NOT BE DEDUCTED UNDER THIS SECTION IF)

((1) THE TAXES ARE ATTRIBUTABLE TO A TRADE OR BUSINESS CARRIED ON BY AN INDIVIDUAL, OR)

((2) THE TAXES ARE EXPENSES FOR THE PRODUCTION OF INCOME WHICH ARE PAID OR INCURRED BY AN INDIVIDUAL; AND WHICH ARE NOT ALLOWED AS A DEDUCTION UNDER SECTION 164 OF THE INTERNAL REVENUE CODE OF 1954, AS AMENDED THROUGH DECEMBER 31, 1981.)

((C) INTEREST AND DEPRECIATION ATTRIBUTABLE TO RENTAL RESIDENTIAL PROPERTY MAY NOT BE DEDUCTED UNDER THIS SECTION IF THE PROPERTY DOES NOT COMPLY WITH THE REQUIREMENTS OF

LAWS 1982, CHAPTER 523, ARTICLE 7, SECTION 3). *The provisions of subdivisions 2, clause (c), 28, and 29 shall also apply to individuals, estates, and trusts to the extent provided in those subdivisions.*

Sec. 16. Minnesota Statutes 1982, section 290.09, subdivision 2, is amended to read:

Subd. 2. [TRADE OR BUSINESS EXPENSES; EXPENSES FOR PRODUCTION OF INCOME.] (a) In General. There shall be allowed as a deduction all the ordinary and necessary expenses paid or incurred during the taxable year in carrying on any trade or business, including.

(1) A reasonable allowance for salaries or other compensation for personal services actually rendered;

(2) Traveling expenses (including amounts expended for meals and lodging other than amounts which are lavish or extravagant under the circumstances) while away from home in the pursuit of a trade or business; and

(3) Rentals or other payments required to be made as a condition to the continued use or possession, for purposes of the trade or business, of property to which the taxpayer has not taken or is not taking title or in which he has no equity. (FOR PURPOSES OF THE PRECEDING SENTENCE, THE PLACE OF RESIDENCE OF A MEMBER OF CONGRESS WITHIN THE STATE SHALL BE CONSIDERED HIS HOME, BUT AMOUNTS EXPENDED BY SUCH MEMBERS WITHIN EACH TAXABLE YEAR FOR LIVING EXPENSES SHALL NOT BE DEDUCTIBLE FOR INCOME TAX PURPOSES IN EXCESS OF \$3,000.)

(b) (EXPENSES FOR PRODUCTION OF INCOME. IN THE CASE OF AN INDIVIDUAL, THERE SHALL BE ALLOWED AS A DEDUCTION ALL THE ORDINARY AND NECESSARY EXPENSES PAID OR INCURRED DURING THE TAXABLE YEAR.)

((1) FOR THE PRODUCTION OR COLLECTION OF INCOME;)

((2) FOR THE MANAGEMENT, CONSERVATION, OR MAINTENANCE OF PROPERTY HELD FOR THE PRODUCTION OF INCOME; OR)

((3) IN CONNECTION WITH THE DETERMINATION, COLLECTION, OR REFUND OF ANY TAX.)

((C) ACTUAL CAMPAIGN EXPENDITURES IN AN AMOUNT NOT TO EXCEED ONE-THIRD OF THE SALARY

OF THE OFFICE SOUGHT, FOR THE YEAR THE ELECTION IS HELD, BY THE CANDIDATE, BUT NO LESS THAN \$100, NOT REIMBURSED, WHICH HAVE BEEN PERSONALLY PAID BY A CANDIDATE FOR PUBLIC OFFICE;)

((D)) No deduction shall be allowed under this subdivision for any contribution or gift which would be allowable as a deduction under section 290.21 were it not for the percentage limitations set forth in such section;

((E)) (c) All expense money paid by the legislature to legislators;

((F)) THE PROVISIONS OF SECTION 280A (DISALLOWING CERTAIN EXPENSES IN CONNECTION WITH THE BUSINESS USE OF THE HOME AND RENTAL OF VACATION HOMES) OF THE INTERNAL REVENUE CODE OF 1954, AS AMENDED THROUGH DECEMBER 31, 1981, SHALL BE APPLICABLE IN DETERMINING THE AVAILABILITY OF ANY DEDUCTION UNDER THIS SUBDIVISION.)

((G)) (d) Entertainment, amusement, or recreation expenses shall be allowed under this subdivision only to the extent that they qualify as a deduction under section 274 of the Internal Revenue Code of 1954, as amended through December 31, 1981.

Sec. 17. Minnesota Statutes 1982, section 290.09, subdivision 3, as amended by Laws 1982, Third Special Session chapter 1, article VII, section 1, is amended to read:

Subd. 3. [INTEREST.] (a) All interest paid or accrued within the taxable year on indebtedness, except as hereinafter provided.

(b) Interest paid or accrued within the taxable year or indebtedness incurred or continued to purchase or carry obligations or securities the income from which is excludable from gross income under (SECTIONS 290.01, SUBDIVISIONS 20 TO 20F OR) section 290.08, (OR SHARES OF A REGULATED INVESTMENT COMPANY WHICH DURING THE TAXABLE YEAR OF THE HOLDER THEREOF DISTRIBUTES MINNESOTA EXEMPT-INTEREST DIVIDENDS AS DEFINED IN SECTION 290.01, SUBDIVISION 27,) or on indebtedness described in section 264(a)(2) and (3), (b) and (c) (relating to life insurance) of the Internal Revenue Code of 1954, as amended through December 1, 1982 shall not be allowed as a deduction.

(c) If personal property or educational services are purchased under a contract the provisions of section 163(b) of the

Internal Revenue Code of 1954, as amended through December 1, 1982 shall apply.

(d) (A CASH BASIS TAXPAYER MAY ELECT TO DEDUCT INTEREST AS IT ACCRUES ON A REVERSE MORTGAGE LOAN AS DEFINED IN SECTION 47.58, SUBDIVISION 1, RATHER THAN WHEN IT IS ACTUALLY PAID. THIS ELECTION MUST BE MADE, IF AT ALL, IN THE FIRST TAXABLE YEAR IN WHICH IT IS AVAILABLE TO THE CASH BASIS TAXPAYER AND, IF MADE, SHALL BE BINDING ON THE TAXPAYER FOR EACH SUBSEQUENT TAXABLE YEAR UNTIL MATURITY OF THE LOAN.)

((E) IN THE CASE OF A TAXPAYER OTHER THAN A CORPORATION, THE AMOUNT OF INTEREST ON INVESTMENT INDEBTEDNESS ALLOWABLE AS A DEDUCTION SHALL BE ALLOWED AND LIMITED AS SET FORTH IN SECTION 163(D) OF THE INTERNAL REVENUE CODE OF 1954, AS AMENDED THROUGH DECEMBER 1, 1982. THE LIMITATION PRESCRIBED IN SECTION 163(D)(1) (A) FOR MARRIED INDIVIDUALS WHO FILE SEPARATE RETURNS SHALL ALSO APPLY TO MARRIED INDIVIDUALS WHO FILE SEPARATELY ON ONE RETURN.)

((F) A TAXPAYER MAY NOT DEDUCT INTEREST ON INDEBTEDNESS INCURRED OR CONTINUED TO PURCHASE OR CARRY OBLIGATIONS OR SHARES, OR TO MAKE DEPOSITS OR OTHER INVESTMENTS, THE INTEREST ON WHICH IS DESCRIBED IN SECTION 116(E) OF THE INTERNAL REVENUE CODE OF 1954, AS AMENDED THROUGH DECEMBER 1, 1982 TO THE EXTENT SUCH INTEREST IS EXCLUDABLE FROM GROSS INCOME UNDER SECTION 116 OF THE INTERNAL REVENUE CODE OF 1954 AS AMENDED THROUGH DECEMBER 1, 1982.) Interest and carrying costs in the case of straddles shall be treated as provided in section 263(g) of the Internal Revenue Code of 1954, as amended through December 1, 1982. The deduction of original issue discount shall be allowed as provided in section 163(e) of the Internal Revenue Code of 1954, as amended through December 1, 1982.

((G)) (e) No deduction shall be allowed for interest on any registration-required obligation unless the obligation is in registered form as provided in section 163(f) of the Internal Revenue Code of 1954, as amended through December 1, 1982.

Sec. 18. Minnesota Statutes 1982, sections 290.09, subdivision 4, is amended to read:

Subd. 4. [TAXES.] Taxes paid or accrued within the taxable year, except (a) income or franchise taxes imposed by this chapter and income or franchise taxes paid to any other state or to any province or territory of Canada for which a credit is al-

lowed under section 290.081; (b) taxes assessed against local benefits of a kind deemed in law to increase the value of the property assessed; (c) (INHERITANCE, GIFT AND ESTATE TAXES EXCEPT AS PROVIDED IN SECTION 290.077, SUBDIVISION 4; (D) CIGARETTE AND TOBACCO PRODUCTS EXCISE TAX IMPOSED ON THE CONSUMER; (E) THAT PART OF MINNESOTA PROPERTY TAXES FOR WHICH A CREDIT OR REFUND IS CLAIMED AND ALLOWED UNDER CHAPTER 290A; (F)) federal income taxes (including the windfall profit tax on domestic crude oil), by corporations, national and state banks; ((G) MORTGAGE REGISTRY TAX; (H) REAL ESTATE TRANSFER TAX; (I) FEDERAL TELEPHONE TAX; (J) FEDERAL TRANSPORTATION TAX;) and ((K)) (d) tax paid by any corporation or national or state bank to any foreign country or possession of the United States to the extent that a credit against federal income taxes is allowed under the provisions of the Internal Revenue Code of 1954, as amended through December 31, 1981. If the taxpayer's foreign tax credit consists of both foreign taxes deemed paid and foreign taxes actually paid or withheld, it will be conclusively presumed that foreign taxes deemed paid were first used by the taxpayer in its foreign tax credit. Minnesota gross income shall include the amount of foreign tax paid which had been allowed as a deduction in a previous year, provided such foreign tax is later allowed as a credit against federal income tax.

Taxes imposed upon a shareholder's interest in a corporation which are paid by the corporation without reimbursement from the shareholder shall be deductible only by such corporation.

Property taxes shall be allowed as a deduction to the same taxpayer and in the same manner as provided in section 164 of the Internal Revenue Code of 1954, as amended through December 31, 1981, notwithstanding the provisions of section 272.31.

Sec. 19. Minnesota Statutes 1982, section 290.09, subdivision 5, is amended to read:

Subd. 5. [LOSSES.] (a) [GENERAL RULE.] There shall be allowed as a deduction any loss sustained during the taxable year and not compensated for by insurance or otherwise.

(b) [AMOUNT OF DEDUCTION.] For purposes of paragraph (a), the basis for determining the amount of the deduction for any loss shall be the adjusted basis provided in this chapter for determining the loss from the sale or other disposition of property.

(c) ([LIMITATION OF LOSSES OF INDIVIDUALS.] IN THE CASE OF AN INDIVIDUAL, THE DEDUCTION UNDER PARAGRAPH (A) SHALL BE LIMITED TO)

((1) LOSSES INCURRED IN A TRADE OR BUSINESS;)

((2) LOSSES INCURRED IN ANY TRANSACTION ENTERED INTO FOR PROFIT, THOUGH NOT CONNECTED WITH A TRADE OR BUSINESS; AND

((3) LOSSES OF PROPERTY NOT CONNECTED WITH A TRADE OR BUSINESS, IF SUCH LOSSES ARISE FROM FIRE, STORM, SHIPWRECK, OR OTHER CASUALTY, OR FROM THEFT TO THE EXTENT THEY ARE DEDUCTIBLE PURSUANT TO THE PROVISIONS OF SECTION 165 (C) (3) OF THE INTERNAL REVENUE CODE OF 1954, AS AMENDED THROUGH DECEMBER 31, 1981. NO LOSS DESCRIBED IN THIS PARAGRAPH SHALL BE ALLOWED IF, AT THE TIME OF THE FILING OF THE RETURN, SUCH LOSS HAS BEEN CLAIMED FOR INHERITANCE OR ESTATE TAX PURPOSES.)

((D)) [WAGERING LOSSES.] Losses from wagering transactions shall be allowed only to the extent of the gains from such transactions.

((E)) (d) [THEFT LOSSES.] For purposes of paragraph (a), any loss arising from theft shall be treated as sustained during the taxable year in which the taxpayer discovers such loss.

((F)) (e) [CAPITAL LOSSES.] Losses from sales or exchanges of capital assets shall be allowed only to the extent allowed in section 290.16.

((G)) (f) [WORTHLESS SECURITIES.] ((1) [GENERAL RULE.]) If any security which is a capital asset becomes worthless during the taxable year, the loss resulting therefrom shall, for purposes of this chapter, be treated as a loss from the sale or exchange, on the last day of the taxable year, of a capital asset.

((2) [SECURITY DEFINED.] FOR PURPOSES OF THIS PARAGRAPH, THE TERM "SECURITY" MEANS:)

((A) A SHARE OF STOCK IN A CORPORATION;)

((B) A RIGHT TO SUBSCRIBE FOR, OR TO RECEIVE, A SHARE OF STOCK IN A CORPORATION; OR)

((C) A BOND, DEBENTURE, NOTE, OR CERTIFICATE, OR OTHER EVIDENCE OF INDEBTEDNESS, ISSUED BY A CORPORATION OR BY A GOVERNMENT OR POLITICAL SUBDIVISION THEREOF, WITH INTEREST COUPONS OR IN REGISTERED FORM.)

((3) [SECURITIES IN AFFILIATED CORPORATION.] FOR PURPOSES OF PARAGRAPH (1), ANY SECURITY IN A CORPORATION AFFILIATED WITH A TAXPAYER

WHICH IS A DOMESTIC CORPORATION SHALL NOT BE TREATED AS A CAPITAL ASSET. FOR PURPOSES OF THE PRECEDING SENTENCE, A CORPORATION SHALL BE TREATED AS AFFILIATED WITH THE TAXPAYER ONLY IF:)

((A) AT LEAST 80 PERCENT OF EACH CLASS OF ITS STOCK IS OWNED DIRECTLY BY THE TAXPAYER, AND)

((B) MORE THAN 90 PERCENT OF THE AGGREGATE OF ITS GROSS RECEIPTS FOR ALL TAXABLE YEARS HAS BEEN FROM SOURCES OTHER THAN ROYALTIES, RENTS (EXCEPT RENTS DERIVED FROM RENTAL FROM PROPERTIES TO EMPLOYEES OF THE CORPORATION IN THE ORDINARY COURSE OF ITS OPERATING BUSINESS), DIVIDENDS, INTEREST (EXCEPT INTEREST RECEIVED ON DEFERRED PURCHASE PRICE OF OPERATING ASSETS SOLD), ANNUITIES, AND GAINS FROM SALES OR EXCHANGES OF STOCKS AND SECURITIES. IN COMPUTING GROSS RECEIPTS FOR PURPOSES OF THE PRECEDING SENTENCE, GROSS RECEIPTS FROM SALES OR EXCHANGES OF STOCK AND SECURITIES SHALL BE TAKEN INTO ACCOUNT ONLY TO THE EXTENT OF GAINS THEREFROM.) *The definitions contained in section 165(g) of the Internal Revenue Code of 1954, as amended through January 15, 1983, shall apply. No deduction shall be allowed for any loss sustained on any registration-required obligation as defined in and except as provided in section 165(j) of the Internal Revenue Code of 1954, as amended through January 15, 1983.*

((H) (g) [DISASTER LOSSES.] ((1)) Notwithstanding the provisions of (a), any loss

((A) attributable to a disaster (WHICH OCCURS DURING THE PERIOD FOLLOWING THE CLOSE OF THE TAXABLE YEAR AND ON OR BEFORE THE TIME PRESCRIBED BY LAW FOR FILING THE INCOME TAX RETURN FOR THE TAXABLE YEAR (DETERMINED WITHOUT REGARD TO ANY EXTENSION OF TIME), AND)

((B) occurring in an area subsequently determined by the President of the United States to warrant assistance by the Federal Government under the provisions of the Federal Disaster Relief Act of 1974 (, AT THE ELECTION OF THE TAXPAYER, MAY) shall be deducted for the taxable year immediately preceding the taxable year in which the disaster occurred. (SUCH ELECTION MAY BE MADE) *This provision shall apply only if (A SIMILAR) an election has been made under the provisions of Section (165(H)) 165(i) of the Internal Revenue Code of 1954, as amended through (DECEMBER 31, 1981) January 15, 1983 for federal income tax purposes. Such*

deduction allowed in the preceding taxable year shall not (BE IN EXCESS OF SO MUCH OF THE LOSS AS WOULD HAVE BEEN DEDUCTIBLE IN THE TAXABLE YEAR IN WHICH THE CASUALTY OCCURRED) exceed the uncompensated amount determined on the basis of the facts existing at the date the taxpayer claims the loss. If an election is made under this paragraph, the casualty resulting in the loss will be deemed to have occurred in the taxable year for which the deduction is claimed.

((2) THE COMMISSIONER IS AUTHORIZED TO PRESCRIBE REGULATIONS PROVIDING THE TIME AND MANNER OF MAKING AN ELECTION TO CLAIM A DISASTER LOSS UNDER THIS CLAUSE.)

((1) [ELECTION.] IN LIEU OF THE DEDUCTION ALLOWED BY (A) OR (H) ANY LOSS NOT COMPENSATED FOR BY INSURANCE OR OTHERWISE:)

((1) ATTRIBUTABLE TO STORM OR OTHER NATURAL CAUSES OR FIRE, MAY, AT THE ELECTION OF THE TAXPAYER, BE CLAIMED AS A DEDUCTION IN THE TAXABLE YEAR IN WHICH SAID LOSS IS SUSTAINED OR IN THE PRECEDING TAXABLE YEAR.)

((2) IN THE EVENT THAT UNDER THE PROVISIONS OF THIS PARAGRAPH, A TAXPAYER CLAIMS THE SAME DISASTER LOSS DEDUCTION OR A NET OPERATING LOSS DEDUCTION RESULTING FROM THE INCLUSION OF A CASUALTY LOSS IN THE CALCULATION OF SUCH DEDUCTION IN DIFFERENT TAXABLE YEARS FOR STATE AND FEDERAL PURPOSES, APPROPRIATE MODIFICATIONS SHALL BE ALLOWED OR REQUIRED FOR TAXABLE YEARS AFFECTED IN ORDER TO PREVENT DUPLICATION OR OMISSION OF SUCH DEDUCTION.)

((3) THE COMMISSIONER IS AUTHORIZED TO PRESCRIBE REGULATIONS PROVIDING THE TIME AND MANNER TO MAKE AN ELECTION TO CLAIM A LOSS UNDER THE PROVISIONS OF THIS PARAGRAPH AND FOR THE FILING OF AN AMENDED RETURN OR CLAIM FOR REFUND.)

Sec. 20. Minnesota Statutes 1982, section 290.09, subdivision 29, is amended to read:

Subd. 29. [DEDUCTIONS ATTRIBUTABLE TO FARMING.] (a) [DEFINITIONS.] For purposes of this subdivision, income and gains and expenses and losses shall be considered as "arising from a farm" if such items are received or incurred in connection with cultivating the soil, or in connection with raising or harvesting any agricultural or horticultural

commodity, including the raising, shearing, feeding, caring for, training, and management of livestock, *including horses for horse racing*, bees, poultry, and fur-bearing animals and wild-life, and all operations incident thereto, including but not limited to the common use of "hedging".

(b) [DEDUCTIONS LIMITED.] Except as provided in this subdivision, expenses and losses, except for interest and taxes, arising from a farm shall not be allowed as deductions in excess of income and gains arising from a farm.

(c) [DEDUCTIONS ALLOWED; CARRYOVER DEDUCTIONS.] Expenses and losses arising from a farm or farms shall be allowed as deductions up to the amount of the income and gains arising from a farm or farms in any taxable year, plus the first (\$15,000) \$30,000 of non-farm gross income, or non-farm taxable net income in the case of a corporation, provided however that in any case where non-farm income exceeds (\$15,000) \$30,000, the maximum allowable amount of (\$15,000) \$30,000 shall be reduced by (TWICE THE) *an* amount (BY WHICH) *equal to* the non-farm income (EXCEEDS THE AMOUNT) *in excess of* (\$15,000) \$30,000 *multiplied by three*. For this purpose and for the purpose of applying the limitation in the following paragraph regarding the application of any carryback or carryforward, the term gross income shall include the ordinary income portion of a lump sum distribution as defined in section 402(e) of the Internal Revenue Code of 1954, as amended through December 31, 1981, and no deduction shall be allowed for two-earner married couples as provided in section 221 of the Internal Revenue Code of 1954, as amended through December 31, 1981. Any remaining balance of the deductions shall be carried back three years and carried forward five years, in chronological order, provided, however, that in any case in which any individual, estate or trust which elects a net operating loss carryforward under section 172(b)(3)(C) of the Internal Revenue Code of 1954, as amended through December 31, 1981, such losses shall not be carried back but shall only be carried forward.

Current expenses and losses shall be utilized as deductions in any taxable year, to the extent herein allowable, prior to the application of any carryback or carryover deductions. In any event, the combined amounts of such current expenses and losses and carryback or carryover deductions shall be allowed as deductions up to the amount of the income and gains arising from a farm or farms in any taxable year, plus the first (\$15,000) \$30,000 of non-farm gross income, or non-farm taxable net income in the case of a corporation, provided however that in any case where non-farm income exceeds (\$15,000) \$30,000, the maximum allowable amount of (\$15,000) \$30,000 shall be reduced by (TWICE THE) *an* amount (BY WHICH) *equal to* the non-farm income (EXCEEDS THE AMOUNT) *in excess of* (\$15,000) \$30,000 *multiplied by three*.

(d) [SHAREHOLDERS SEPARATE ENTITIES.] For purposes of this subdivision, individual shareholders of an electing small business corporation shall be considered separate entities.

(e) [SPECIAL PERIOD OF LIMITATION WITH RESPECT TO FARM LOSS LIMITATION CARRYBACKS.] For the purposes of sections 290.46 and 290.50, if the claim for refund relates to an overpayment attributable to a farm loss limitation carryback under this subdivision, in lieu of the period of limitation prescribed in sections 290.46 and 290.50, the period of limitation shall be that period which ends with the expiration of the 15th day of the 46th month (or the 45th month, in the case of a corporation) following the end of the taxable year of the farm loss which results in the carryback.

(f) [INTEREST ON CLAIMS.] In any case in which a taxpayer is entitled to a refund in a carryback year due to the carryback of a farm loss, interest shall be computed only from the end of the taxable year in which the loss occurs.

(g) [ORDER OF APPLICATION.] The application of this subdivision shall be made after applying any limitation to out of state losses contained in section 290.17.

Sec. 21. Minnesota Statutes 1982, section 290.091, is amended to read:

290.091 [MINIMUM TAX ON PREFERENCE ITEMS.]

In addition to all other taxes imposed by this chapter there is hereby imposed, a tax which, in the case of a resident individual, shall be equal to 40 percent of the amount of the taxpayer's minimum tax liability for tax preference items pursuant to the provisions of sections 55 to 58 and 443(d) of the Internal Revenue Code of 1954 as amended through December 31, 1981. For purposes of the tax imposed by this section, the following modifications shall be made:

(1) Capital gain as defined in section 57(a) of the Internal Revenue Code shall not include that portion of any gain occasioned by sale, transfer or the granting of a perpetual easement pursuant to any eminent domain proceeding or threat thereof as described in section 290.13, subdivision 5. This modification shall apply to the years in which the gain or reduction in loss is actually included in federal adjusted gross income even though amounts received pursuant to the eminent domain proceedings were received in prior years.

(2) In the case of a corporate taxpayer, percentage depletion shall not be a preference item.

(3) In the case of a corporate taxpayer, the capital gain preference item shall not include the timber preference income defined in section 57(e)(1) of the Internal Revenue Code.

(4) The preference item of reserves for losses on bad debts shall not include reserves allowable under section 593 of the Internal Revenue Code, but which are not allowable under section 290.09, subdivision 6, clause (c).

(5) (IN THE CASE OF AN INDIVIDUAL, THE PREFERENCE ITEM OF ADJUSTED ITEMIZED DEDUCTIONS DOES NOT INCLUDE ANY DEDUCTION FOR CHARITABLE CONTRIBUTIONS IN EXCESS OF THE LIMITATIONS CONTAINED IN SECTION 290.21, SUBDIVISION 3, INCLUDING ANY CARRYOVER AMOUNT ALLOWED FOR FEDERAL PURPOSES.)

((6)) The capital gain preference item shall be reduced where the gain would be modified because some or all of the assets have a higher basis for Minnesota purposes than for federal purposes.

((7)) (6) In the case of a nonresident individual, or an estate or trust, with a net operating loss that is a larger amount for Minnesota than for federal, the capital gain preference item shall be reduced to the extent it was reduced in the allowance of the net operating loss.

In the case of a resident individual, having preference items which could not be taken to reduce income from sources outside the state pursuant to section 290.17, subdivision 1, or any other taxpayer the tax shall equal 40 percent of that federal liability, multiplied by a fraction the numerator of which is the amount of the taxpayer's preference item income allocated to this state pursuant to the provisions of sections 290.17 to 290.20, and the denominator of which is the taxpayer's total preference item income for federal purposes.

The tax benefit rule contained in section 58(h) of the Internal Revenue Code is applied to the Minnesota minimum tax only to the extent that it determines if there is a federal minimum tax. No separate tax benefit rule is allowable for the Minnesota minimum tax.

For property placed in service after December 31, 1980, the preference items contained in section 57(a)(12) of the Internal Revenue Code of 1954, as amended through December 31, 1981, shall not apply.

Sec. 22. Minnesota Statutes 1982, section 290.14, is amended to read:

290.14 [GAIN OR LOSS ON DISPOSITION OF PROPERTY, BASIS.]

Except as otherwise provided in this chapter, the basis for determining the gain or loss from the sale or other disposition of property acquired on or after January 1, 1933, shall be the cost to the taxpayer of such property, with the following exceptions:

(1) If the property should have been included in the last inventory, it shall be the last inventory value thereof;

(2) If the property was acquired by gift, it shall be the same as it would be if it were being sold or otherwise disposed of by the last preceding owner not acquiring it by gift; if the facts required for this determination cannot be ascertained, it shall be the fair market value as of the date, or approximate date, of acquisition by the last preceding owner, as nearly as the requisite facts can be ascertained by the commissioner;

(3) If the property was acquired by gift through an *inter vivos* transfer in trust, it shall be the same as it would be if it were being sold or otherwise disposed of by the grantor;

(4) Except as otherwise provided in this clause, the basis of property in the hands of a person acquiring the property from a decedent or to whom the property passed from a decedent shall, if not sold, exchanged or otherwise disposed of before the decedent's death by the person, be the fair market value of the property at the date of decedent's death or, in the case of an election under section 2032 (relating to alternate valuation) of the Internal Revenue Code of 1954, as amended through December 31, 1981, its valuation at the applicable valuation date prescribed by that section, or in the case of an election under section 2032A (relating to valuation of farm real property) of the Internal Revenue Code of 1954, as amended through December 31, 1981, its value determined by that section.

For the purposes of the preceding paragraph, the following property shall be considered to have been acquired from or to have passed from the decedent:

(a) Property acquired by bequest, devise, or inheritance, or by the decedent's estate from the decedent;

(b) Property transferred by the decedent during his lifetime in trust to pay the income for life to or on the order or direction of the decedent, with the right reserved to the decedent at all times before his death to revoke the trust;

(c) Property transferred by the decedent during his lifetime in trust to pay the income for life to or on the order or direction of the decedent with the right reserved to the decedent at all

times before his death to make any change in the enjoyment thereof through the exercise of a power to alter, amend, or terminate the trust;

(d) Property passing without full and adequate consideration under a general power of appointment exercised by the decedent by will;

(e) In the case of a decedent's dying after December 31, 1956, property acquired from the decedent by reason of death, form of ownership, or other conditions (including property acquired through the exercise or non-exercise of a power of appointment), if by reason thereof the property is required to be included in determining the value of the decedent's gross estate for Minnesota inheritance or estate tax purposes. In this case, if the property is acquired before the death of the decedent, the basis shall be the amount determined under the first paragraph of this clause reduced by the amount allowed to the taxpayer as deductions in computing taxable net income under this chapter or prior Minnesota income tax laws for exhaustion, wear and tear, obsolescence, amortization, and depletion on the property before the death of the decedent. The basis shall be applicable to the property commencing on the death of the decedent. This paragraph shall not apply to annuities and property described in paragraphs (a), (b), (c) and (d) of this clause.

This clause shall not apply to property which constitutes a right to receive an item of income in respect of a decedent under section 290.077.

(5) If substantially identical property was acquired in the place of stocks or securities which were sold or disposed of and in respect of which loss was not allowed as a deduction under section 10 or section 290.09, subdivision 5, the basis in the case of property so acquired shall be the same as that provided in section 1091 of the Internal Revenue Code of 1954, as amended through December 31, 1981.

(6) Neither the basis nor the adjusted basis of any portion of real property shall, in the case of a lessor of the property, be increased or diminished on account of income derived by the lessor in respect of the property and excludable from gross income under section 290.08, subdivision 14.

If an amount representing any part of the value of real property attributable to buildings erected or other improvements made by a lessee in respect of the property was included in gross income of the lessor for any taxable year beginning before January 1, 1943, the basis of each portion of the property shall be properly adjusted for the amount included in gross income.

(7) (IF THE PROPERTY WAS ACQUIRED BY THE TAXPAYER AS A TRANSFER OF PROPERTY IN EX-

CHANGE FOR THE RELEASE OF THE TAXPAYER'S MARITAL RIGHTS, THE BASIS OF THE PROPERTY SHALL BE THE SAME AS IT WOULD BE IF IT WERE BEING SOLD OR OTHERWISE DISPOSED OF BY THE PERSON WHO TRANSFERRED THE PROPERTY TO THE TAXPAYER.)

(8) The basis of property subject to the provisions of section 1034 of the Internal Revenue Code of 1954, as amended through December 31, 1981 (relating to the rollover of gain on sale of principal residence) shall be the same as the basis for federal income tax purposes. The basis shall be increased by the amount of gain realized on the sale of a principal residence outside of Minnesota, while a nonresident of this state, which gain was not recognized because of the provisions of section 1034.

Sec. 23. Minnesota Statutes 1982, section 290.17, subdivision 2, is amended to read:

Subd. 2. [OTHER TAXPAYERS.] In the case of taxpayers not subject to the provisions of subdivision 1, items of gross income shall be assigned to this state or other states or countries in accordance with the following principles:

(1) (a) The entire income of all resident or domestic taxpayers from compensation for labor or personal services, or from a business consisting principally of the performance of personal or professional services, shall be assigned to this state, and the income of nonresident taxpayers from such sources shall be assigned to this state if, and to the extent that, the labor or services are performed within it; all other income from such sources shall be treated as income from sources without this state.

(b) In the case of an individual who is a nonresident of Minnesota and who is an athlete or entertainer, income from compensation for labor or personal services performed within this state shall be determined in the following manner.

(i) The amount of income to be assigned to Minnesota for an individual who is a nonresident salaried athletic team employee shall be determined by using a fraction in which the denominator contains the total number of days in which the individual is under a duty to perform for the employer, and the numerator is the total number of those days spent in Minnesota. In order to eliminate the need to file state or provincial income tax returns in several states or provinces, Minnesota will exclude from income any income assigned to Minnesota under the provisions of this clause for a nonresident athlete who is employed by an athletic team whose operations are not based in this state if the state or province in which the athletic team is based provides a similar income exclusion. If the state or province in which the athletic team's operations are based does not have an income tax on an individual's personal service income, it will be deemed that

that state or province has a similar income exclusion. As used in the preceding sentence, the term "province" means a province of Canada.

(ii) The amount of income to be assigned to Minnesota for an individual who is a nonresident, and who is an athlete not listed in clause (i), or who is an entertainer, for that person's athletic or entertainment performance in Minnesota shall be determined by assigning to this state all income from performances or athletic contests in this state.

(2) Income from the operation of a farm shall be assigned to this state if the farm is located within this state and to other states only if the farm is not located in this state. *Income from winnings on Minnesota pari-mutuel betting tickets shall be assigned to this state.* Income and gains received from tangible property not employed in the business of the recipient of such income or gains, and from tangible property employed in the business of such recipient if such business consists principally of the holding of such property and the collection of the income and gains therefrom, shall be assigned to this state if such property has a situs within it, and to other states only if it has no situs in this state. Income or gains from intangible personal property not employed in the business of the recipient of such income or gains, and from intangible personal property employed in the business of such recipient if such business consists principally of the holding of such property and the collection of the income and gains therefrom, wherever held, whether in trust, or otherwise, shall be assigned to this state if the recipient thereof is domiciled within this state; income or gains from intangible personal property wherever held, whether in trust or otherwise shall be assigned to this state if the recipient of such income or gains is domiciled within this state, or if the grantor of any trust is domiciled within this state and such income or gains would be taxable to such grantor under section 290.28 or 290.29;

(3) Income derived from carrying on a trade or business, including in the case of a business owned by natural persons the income imputable to the owner for his services and the use of his property therein, shall be assigned to this state if the trade or business is conducted wholly within this state, and to other states if conducted wholly without this state. This provision shall not apply to business income subject to the provisions of clause (1);

(4) When a trade or business is carried on partly within and partly without this state, the entire income derived from such trade or business, including income from intangible property employed in such business and including, in the case of a business owned by natural persons, the income imputable to the owner for his services and the use of his property therein, shall be governed, except as otherwise provided in sections 290.35 and 290.36, by the provisions of section 290.19, notwith-

standing any provisions of this section to the contrary. This shall not apply to business income subject to the provisions of clause (1), nor shall it apply to income from the operation of a farm which is subject to the provisions of clause (2). For the purposes of this clause, a trade or business located in Minnesota is carried on partly within and partly without this state if tangible personal property is sold by such trade or business and delivered or shipped to a purchaser located outside the state of Minnesota.

If the trade or business carried on wholly or partly in Minnesota is part of a unitary business, the entire income of that unitary business shall be subject to apportionment under section 290.19. The term "unitary business" shall mean a number of business activities or operations which are of mutual benefit, dependent upon, or contributory to one another, individually or as a group. Unity shall be presumed whenever there is unity of ownership, operation, and use, evidenced by centralized management or executive force, centralized purchasing, advertising, accounting, or other controlled interaction. Unity of ownership will not be deemed to exist unless the corporation owns more than 50 percent of the voting stock of the other corporation.

The entire income of a unitary business, including all income from each activity, operation or division, shall be subject to apportionment as provided in section 290.19. None of the income of a unitary business shall be considered as derived from any particular source and none shall be allocated to any particular place except as provided by the applicable apportionment formula.

In determining whether or not intangible property is employed in a unitary business carried on partly within and partly without this state so that income derived therefrom is subject to apportionment under section 290.19 the following rules and guidelines shall apply.

(a) Intangible property is employed in a business if the business entity owning intangible property holds it as a means of furthering the business operation of which a part is located within the territorial confines of this state.

(b) Where a business operation conducted in Minnesota, is owned by a business entity which carries on business activity outside of the state different in kind from that conducted within this state, and such other business is conducted entirely outside the state, it will be presumed that the two business operations are unitary in nature, interrelated, connected and interdependent unless it can be shown to the contrary.

(5) (IN THE CASE OF A NONRESIDENT WHO IS LIABLE FOR PAYMENT OF A PENALTY FOR HAVING WITHDRAWN FUNDS FROM AN INDIVIDUAL HOUSING AC-

COUNT ESTABLISHED PURSUANT TO SECTION 290.08, SUBDIVISION 25, THE AMOUNT SO WITHDRAWN AND FOR WHICH A DEDUCTION WAS ALLOWED SHALL BE AN ITEM OF INCOME ASSIGNABLE TO THIS STATE, AND THE PENALTY TAX OF TEN PERCENT SHALL REMAIN AN ADDITIONAL LIABILITY OF THAT TAXPAYER.)

((6)) For purposes of this section, amounts received by a non-resident from the United States, its agencies or instrumentalities, the Federal Reserve Bank, the state of Minnesota or any of its political or governmental subdivisions, or a Minnesota volunteer fireman's relief association, by way of payment as a pension, public employee retirement benefit, or any combination thereof, or as a retirement or survivor's benefit made from a plan qualifying under section 401, 403, 404, 405, 408, 409 or 409A of the Internal Revenue Code of 1954, as amended through December 31, 1981, are not considered income derived from carrying on a trade or business or from performing personal or professional services in Minnesota, and are not taxable under this chapter.

((7)) (6) All other items of gross income shall be assigned to the taxpayer's domicile.

Sec. 24. Minnesota Statutes 1982, section 290.18, subdivision 1, is amended to read:

Subdivision 1. [TAXABLE NET INCOME.] (a) *For resident individuals, taxable net income shall be the same as net income.*

(b) *For all other taxpayers, the taxable net income shall, except insofar as section 290.19 is applicable, be computed by deducting from the gross income assignable to this state under section 290.17 deductions of the kind permitted by (SECTION) sections 10, 290.09, and section 62 of the Internal Revenue Code of 1954, as amended through March 12, 1983, in accordance with the following provisions:*

(1) Such deductions shall be allowed to the extent that they are connected with and allocable against the production or receipt of such gross income assignable to this state;

(2) That proportion of such deductions, so far as not connected with an allocable against the production or receipt of such gross income assignable to this state and so far as not connected with and allocable against the production or receipt of gross income assignable to other states or countries and so far as not entering into the computation of the net income assignable to this state under section 290.19, shall be allowed which the taxpayer's gross income from sources within this state, as determined under section 290.17, subdivision 2, clauses (1), (2), (3), (5), and ((7)) (6), bears to his gross income from all sources,

including that entering into the computations provided for by section 290.19; provided that taxes of the kind deductible under section 290.09, subdivision 4, shall, so far as within the description of deductions deductible under this clause, be deductible in their entirety if paid to the state of Minnesota, or any of its subdivisions authorized to impose such taxes, and thereupon be excluded in making the computation of deductions, as in this clause provided.

Sec. 25. Minnesota Statutes 1982, section 290.18, subdivision 2, is amended to read:

Subd. 2. [FEDERAL INCOME TAX PAYMENTS AND REFUNDS.] The adjusted gross income shall be computed by deducting from the gross income assignable to this state under section 290.17, the deduction for allowable federal income taxes determined under the provisions of sections (290.09, SUBDIVISION 4,) 9 or 290.10, clause (8), (9) or (10), and 290.18.

This deduction shall be allowed to individuals, estates, or trusts:

(i) for taxable years beginning after December 31, 1980 in the taxable year to which the liability applies. Such liability includes the portion of self-employment tax allowed under section 290.10, clause (8). The self-employment tax must be deducted by the person who is deriving the income. When the federal tax liability is joint and several under the computation of a joint federal return of husband and wife, the federal tax liability (MUST BE SPLIT BETWEEN THE SPOUSES IN THE SAME RATIO THAT THE FEDERAL ADJUSTED GROSS INCOME OF THAT SPOUSE BEARS TO THE TOTAL FEDERAL ADJUSTED GROSS INCOME. FOR PURPOSES OF THE PRECEDING SENTENCE, "FEDERAL ADJUSTED GROSS INCOME" INCLUDES THE ORDINARY INCOME PORTION OF A LUMP SUM DISTRIBUTION AS DEFINED IN SECTION 402(E) OF THE INTERNAL REVENUE CODE OF 1954, AS AMENDED THROUGH DECEMBER 31, 1981) shall be divided between the spouses as follows: the spouse with the lower qualified earned income, as defined in section 221 of the Internal Revenue Code of 1954, as amended through March 12, 1983, shall deduct an amount equal to at least the federal tax withheld for the taxable year from his wages and from interest, dividends, or patronage dividends earned on assets solely in his name, but not to exceed the joint federal income tax liability less self-employment tax; the balance of the joint federal tax liability may be taken by either spouse or divided between them as they elect, provided that the allocation of federal income tax liability as required under section 290.10, clause (9), shall be made on the basis of joint federal adjusted gross income prior to apportionment of the deduction between the spouses.

(ii) taxes paid for a taxable year beginning before January 1, 1981 shall be allowed as follows (:).

(1) Those taxes paid in a taxable year beginning before January 1, 1981, shall be claimed in the year in which the payment was made.

(2) Those paid in a taxable year beginning after December 31, 1980 shall be divided and deducted in equal installments reflected by the yearly periods beginning with the first day of the taxable year in which the payment was made and ending December 31, 1986.

(iii) In the case of a person who was self employed during all or a portion of the taxable year, the federal income tax liability for purposes of this section shall be increased by the self-employment tax allowed under section 290.10, clause (8).

(iv) If a taxpayer's federal tax liability is eventually not paid by reason of compromise, discharge, or court order, the deduction allowed pursuant to this subdivision shall be disallowed for the taxable year in which the liability was accrued.

(v) In the event a federal tax liability for a taxable year commencing after December 31, 1980 is increased, decreased or modified, and such increase, decrease or modification has resulted in a change in the amount of Minnesota income tax in the year to which such increase, decrease or modification is attributable, the taxpayer's deduction under this section shall be modified for such year.

(vi) If the readjustments required in (iv) or (v) are for taxes reflected in the transition rule described in (ii) ((2)), the readjustment shall be made equally to the remaining installments and if a reduction to such installments is required under this readjustment which exceeds the total of all remaining installments, the remaining installments will be reduced to zero and the excess included in income as a federal income tax refund.

(vii) Refunds which are not involved with any readjustments under the transition rule shall be included in income under *Minnesota Statutes 1982*, section 290.01, subdivision 20a, clause (6) if it is from a year beginning before January 1, 1981.

(viii) Refunds of taxes for years beginning after December 31, 1980, shall be used to adjust the deduction in the taxable year of the liability unless that year is closed by statute and no other adjustments are to be required or allowable in which case such refund shall be reportable in the year received.

Sec. 26. *Minnesota Statutes 1982*, section 290.21, subdivision 1, is amended to read:

Subdivision 1. The following deductions shall be allowed *only to corporations and shall be deductions* from (GROSS INCOME IN COMPUTING NET INCOME FOR INDIVIDUALS, AND FROM) a corporation's taxable net income (FOR CORPORATIONS).

Sec. 27. Minnesota Statutes 1982, section 290.21, subdivision 3, is amended to read:

Subd. 3. An amount for contribution or gifts made within the taxable year:

(a) to or for the use of the state of Minnesota, or any of its political subdivisions for exclusively public purposes,

(b) to or for the use of any community chest, corporation, organization, trust, fund, association, or foundation located in and carrying on substantially all of its activities within this state, organized and operating exclusively for religious, charitable, public cemetery, scientific, literary, artistic, or educational purposes, or for the prevention of cruelty to children or animals, no part of the net earnings of which inures to the benefit of any private stockholder or individual,

(c) to a fraternal society, order, or association, operating under the lodge system located in and carrying on substantially all of their activities within this state if such contributions or gifts are to be used exclusively for the purposes specified in subdivision 3(b), or for or to posts or organizations of war veterans or auxiliary units or societies of such posts or organizations, if they are within the state and no part of their net income inures to the benefit of any private shareholder or individual,

(d) to or for the use of the United States of America for exclusively public purposes, and to or for the use of any community chest, corporation, trust, fund, association, or foundation, organized and operated exclusively for any of the purposes specified in subdivision 3(b) and (c) no part of the net earnings of which inures to the benefit of any private shareholder or individual, but not carrying on substantially all of their activities within this state, in an amount equal to the ratio of Minnesota taxable net income to total net income, (PROVIDED, HOWEVER, THAT FOR AN INDIVIDUAL TAXPAYER, THE DEDUCTION SHALL BE ALLOWED IN AN AMOUNT EQUAL TO THE RATIO OF THE TAXPAYER'S GROSS INCOME ASSIGNABLE TO MINNESOTA TO THE TAXPAYER'S GROSS INCOME FROM ALL SOURCES,)

(e) (TO A MAJOR POLITICAL PARTY, AS DEFINED IN SECTION 200.02, SUBDIVISION 7, OR A POLITICAL CANDIDATE, AS DEFINED IN SECTION 210A.01, OR A

POLITICAL CAUSE WHEN SPONSORED BY ANY PARTY OR ASSOCIATION OR COMMITTEE, AS DEFINED IN SECTION 210A.01, IN A MAXIMUM AMOUNT NOT TO EXCEED THE FOLLOWING.)

((1) CONTRIBUTIONS MADE BY INDIVIDUAL NATURAL PERSONS, \$100,)

((2) CONTRIBUTIONS MADE BY A NATIONAL COMMITTEEMAN, NATIONAL COMMITTEEWOMAN, STATE CHAIRMAN, OR STATE CHAIRWOMAN OF A MAJOR POLITICAL PARTY, AS DEFINED IN SECTION 200.02, SUBDIVISION 7, \$1,000,)

((3) CONTRIBUTIONS MADE BY A CONGRESSIONAL DISTRICT COMMITTEEMAN OR COMMITTEEWOMAN OF A MAJOR POLITICAL PARTY, AS DEFINED IN SECTION 200.02, SUBDIVISION 7, \$350,)

((4) CONTRIBUTIONS MADE BY A COUNTY CHAIRMAN OR A COUNTY CHAIRWOMAN OF A MAJOR POLITICAL PARTY, AS DEFINED IN SECTION 200.02, SUBDIVISION 7, \$150,)

((F) IN THE CASE OF AN INDIVIDUAL, THE TOTAL DEDUCTION ALLOWABLE HEREUNDER SHALL NOT EXCEED 30 PERCENT OF THE TAXPAYER'S MINNESOTA GROSS INCOME AS FOLLOWS:)

((I) THE AGGREGATE OF CONTRIBUTIONS MADE TO ORGANIZATIONS SPECIFIED IN (A), (B) AND (D) SHALL NOT EXCEED TEN PERCENT OF THE TAXPAYER'S MINNESOTA GROSS INCOME,)

((II) THE TOTAL DEDUCTION UNDER THIS SUBPARAGRAPH FOR ANY TAXABLE YEAR SHALL NOT EXCEED 20 PERCENT OF THE TAXPAYER'S MINNESOTA GROSS INCOME. FOR PURPOSES OF THIS SUBPARAGRAPH, THE DEDUCTION UNDER THIS SECTION SHALL BE COMPUTED WITHOUT REGARD TO ANY DEDUCTION ALLOWED UNDER SUBPARAGRAPH (I) BUT SHALL TAKE INTO ACCOUNT ANY CONTRIBUTIONS DESCRIBED IN SUBPARAGRAPH (I) WHICH ARE IN EXCESS OF THE AMOUNT ALLOWABLE AS A DEDUCTION UNDER SUBPARAGRAPH (I). FOR PURPOSES OF PARAGRAPH (F) THE TERM MINNESOTA GROSS INCOME SHALL ALSO INCLUDE THE ORDINARY INCOME PORTION OF A LUMP SUM DISTRIBUTION AS DEFINED IN SECTION 402(E) OF THE INTERNAL REVENUE CODE OF 1954, AS AMENDED THROUGH DECEMBER 31, 1981,)

((G) IN THE CASE OF A CORPORATION,) the total deduction hereunder shall not exceed 15 percent of the taxpayer's taxable net income less the deductions allowable under this section other than those for contributions or gifts,

((H)) (f) in the case of a corporation reporting its taxable income on the accrual basis, if: (A) the board of directors authorizes a charitable contribution during any taxable year, and (B) payment of such contribution is made after the close of such taxable year and on or before the fifteenth day of the third month following the close of such taxable year; then the taxpayer may elect to treat such contribution as paid during such taxable year. The election may be made only at the time of the filing of the return for such taxable year, and shall be signified in such manner as the commissioner shall by regulations prescribe;

((I)) (g) in the case of a contribution or property placed in trust as described in section 170(f)(2) of the Internal Revenue Code of 1954, as amended through December 31, 1981, a deduction shall be allowed under this subdivision to the extent that a deduction is allowable for federal income tax purposes.

((J) AMOUNTS PAID TO MAINTAIN CERTAIN STUDENTS AS MEMBERS OF THE TAXPAYER'S HOUSEHOLD SHALL BE ALLOWED AS A DEDUCTION AS PROVIDED IN SECTION 170(G) OF THE INTERNAL REVENUE CODE OF 1954, AS AMENDED THROUGH DECEMBER 31, 1981. NO OTHER DEDUCTION SHALL BE ALLOWED UNDER THIS SUBDIVISION FOR THESE AMOUNTS AND THE LIMITATIONS CONTAINED IN CLAUSE (F) SHALL NOT APPLY TO THESE AMOUNTS.)

Sec. 28. Minnesota Statutes 1982, section 290.23, subdivision 5, is amended to read:

Subd. 5. [DISTRIBUTABLE NET INCOME, INCOME, BENEFICIARY; DEFINED.] (1) For purposes of sections 290.22 through 290.25, the term "distributable net income" means the same as that term is defined in section 643(a) of the Internal Revenue Code of 1954, as amended through December 31, 1981 with the following modification:

There shall be included any tax-exempt interest to which section 290.01, subdivision 20b, clause (1) applies, reduced by any amounts which would be deductible in respect of disbursements allocable to such interest but for the provisions of (SECTIONS 290.09, SUBDIVISION 3, AND) section 290.10(9) (relating to disallowance of certain deductions).

If the estate or trust is allowed a deduction under section 642(c) of the Internal Revenue Code of 1954, as amended through December 31, 1981, the amount of the modification shall

be reduced to the extent that the amount of income which is paid, permanently set aside, or to be used for the purposes specified in that section of the Internal Revenue Code is deemed to consist of items specified in the modification. For this purpose, such amount shall (in the absence of specific provisions in the governing instrument) be deemed to consist of the same proportion of each class of items of income of the estate or trust as the total of each class bears to the total of all classes.

(2) The term "income," and the term "beneficiary" have the same meaning as those terms are defined in section 643(b) and (c) of the Internal Revenue Code of 1954, as amended through December 31, 1981.

Sec. 29. Minnesota Statutes 1982, section 290.31, subdivision 2, is amended to read:

Subd. 2. [INCOME AND CREDITS OF PARTNER.] (1) In determining his income tax, each partner shall take into account separately his distributive share of the partnership's

(a) gains and losses from sales or exchanges of capital assets held for not more than one year,

(b) gains and losses from sales or exchanges of capital assets held for more than one year,

(c) gains and losses from sales or exchanges of property described in section (290.16, SUBDIVISION 9(1) AND (2)) *1231 of the Internal Revenue Code of 1954, as amended through January 15, 1983* (relating to certain property used in a trade or business and involuntary conversions),

(d) charitable contributions ((AS DEFINED IN SECTION 290.21, SUBDIVISION 3)) *as defined in section 170(c) of the Internal Revenue Code of 1954, as amended through December 31, 1982,*

(e) dividends with respect to which there is provided (A DEDUCTION UNDER SECTION 290.21,) *an exclusion under section 116 or a deduction under sections 241 to 247 of the Internal Revenue Code of 1954, as amended through December 31, 1982,*

(f) other items of income, gain, loss, deduction, or credit, to the extent provided by regulations prescribed by the commissioner, and

(g) taxable net income or loss, exclusive of items requiring separate computation under other subparagraphs of this paragraph (1).

(2) The character of any item of income, gain, loss, deduction, or credit included in a partner's distributive share under paragraphs (a) through (f) of paragraph (1) shall be determined as if such item were realized directly from the source from which realized by the partnership, or incurred in the same manner as incurred by the partnership.

(3) In any case where it is necessary to determine the gross income of a partner for purposes of this chapter, such amount shall include his distributive share of the gross income of the partnership.

Sec. 30. Minnesota Statutes 1982, section 290.31, subdivision 3, is amended to read:

Subd. 3. [PARTNERSHIP COMPUTATIONS.] The taxable net income of a partnership shall be computed in the same manner as in the case of an individual except that

(1) the items described in subdivision 2(1) shall be separately stated, and

(2) the following deductions shall not be allowed to the partnership:

(a) the deduction for taxes provided in section (290.09, SUBDIVISION 4) *164(a) of the Internal Revenue Code of 1954, as amended through December 31, 1982*, with respect to taxes, described in section 901 of the Internal Revenue Code of 1954, as amended through December 31, 1981, paid or accrued to foreign countries and to possessions of the United States,

(b) the deduction for charitable contributions provided in section 290.21, subdivision 3 *or section 170 of the Internal Revenue Code of 1954, as amended through December 31, 1982*,

(c) the net operating loss deduction provided in section 290.095,

(d) the additional itemized deductions for individuals provided in (SECTION 290.09, SUBDIVISIONS 10 AND 17) *sections 211 to 223 of the Internal Revenue Code of 1954, as amended through December 31, 1982*, and,

(e) the deduction for depletion under section 290.09, subdivision 8 with respect to oil and gas wells.

Any election affecting the computation of taxable net income derived from a partnership shall be made by the partnership except as provided in section 703(b) of the Internal Revenue Code of 1954, as amended through December 31, 1981.

Sec. 31. Minnesota Statutes 1982, section 290.39, subdivision 2, is amended to read:

Subd. 2. [SEPARATE COMPUTATIONS ON A SINGLE RETURN.] Notwithstanding the provisions of section 290.61, a husband and wife may elect to compute their Minnesota income tax separately on a single return, in which event:

(a) if the sum of the payments by either spouse, including withheld and estimated taxes, exceeds the amount of tax of such spouse as computed separately, the excess may be applied by the commissioner to the credit of the other spouse if the sum of the payments by such other spouse, including withheld and estimated taxes, is less than the amount of the tax of such other spouse as computed separately;

(b) if the sum of the payments made by both spouses with respect to the taxes of both as computed separately, including withheld and estimated taxes, exceeds the total of the taxes due, refund of the excess may be made payable to both spouses or may be credited against any liability in respect of Minnesota income tax on the part of either spouse;

(c) if the sum of the payments made by both spouses with respect to the taxes of both as computed separately, including withheld and estimated taxes, is less than the total of the taxes due, the liability for the unpaid tax shall be joint and several; provided that a spouse may be relieved of liability in those cases contained in section 6013(e) of the Internal Revenue Code of 1954 as amended through December 31, 1981 (for purposes of computing the 25 percent test contained in that section, the amount of gross income stated in the return shall include the total gross income of both spouses);

(d) if the standard deduction provided for by section (290.09, SUBDIVISION 15) 10, subdivision 3, is not utilized, then the total of the Minnesota itemized deductions of a husband and wife may be taken by either or divided between them as they elect;

(e) *the limitation on the deduction for investment interest prescribed in section 163(d) (1) (A) for married individuals who file separate returns shall also apply to married individuals who file separately on one return.*

Sec. 32. Minnesota Statutes 1982, section 290.431, is amended to read:

290.431 [NON-GAME WILDLIFE CHECKOFF.]

Every individual who files an income tax return or property tax refund claim form may designate on their original return

that \$1 or more shall be added to the tax or deducted from the refund that would otherwise be payable by or to that individual and paid into an account to be established for the management of non-game wildlife. The commissioner of revenue shall, on the first page of the income tax return and the property tax refund claim form, notify filers of their right to designate that a portion of their tax or refund shall be paid into the non-game wildlife management account. The sum of the amounts so designated to be paid shall be credited to the non-game wildlife management account for use by the non-game section of the division of wildlife in the department of natural resources. The commissioner of natural resources shall submit a work program for each fiscal year and semi-annual progress reports to the legislative commission on Minnesota resources in the form determined by the commission. None of the money provided in this section may be expended unless the commission has approved the work program.

The state pledges and agrees with all contributors to the non-game wildlife management account to use the funds contributed solely for the management of nongame wildlife projects and further agrees that it will not impose additional conditions or restrictions that will limit or otherwise restrict the ability of the commissioner of natural resources to use the available funds for the most efficient and effective management of nongame wildlife.

Sec. 33. Minnesota Statutes 1982, section 290.46, is amended to read:

290.46 [EXAMINATION OF RETURNS; ASSESSMENTS, REFUNDS.]

The commissioner shall, as soon as practicable after the return is filed, examine the same and make any investigation or examination of the taxpayer's records and accounts that he may deem necessary for determining the correctness of the return. The tax computed by him on the basis of such examination and investigation shall be the tax to be paid by such taxpayer. If the tax found due shall be greater than the amount reported as due on the taxpayer's return, the commissioner shall assess a tax in the amount of such excess and the whole amount of such excess shall be paid to the commissioner within 60 days after notice of the amount and demand for its payment shall have been mailed to the taxpayer by the commissioner. If the understatement of the tax on the return was false and fraudulent with intent to evade the tax, the installments of the tax shown by the taxpayer on his return which have not yet been paid shall be paid to the commissioner within 60 days after notice of the amount thereof and demand for payment shall have been mailed to the taxpayer by the commissioner. If the amount of the tax found due by the commissioner shall be less than that reported as due on the taxpayer's return, the excess shall be refunded to the taxpayer in the manner provided by section 290.50 (except that no demand therefor shall be necessary), if he has already

paid the whole of such tax, or credited against any unpaid installment thereof; provided, that no refundment shall be made except as provided in section 290.50.

If the commissioner examines returns of a taxpayer for more than one year, he may issue one order covering the several years under consideration reflecting the aggregate refund or additional tax due.

The notices and demands provided for by sections 290.46 to 290.48 shall be in such form as the commissioner may determine (including a statement) and shall contain a brief explanation of the computation of the tax and shall be sent by mail to the taxpayer at the address given in his return, or to his last known address.

In cases where there has been an overpayment of a self-assessed liability as shown on the return filed by the taxpayer, the commissioner may refund such overpayment to the taxpayer and no demand therefor shall be necessary; further, written findings by the commissioner, notice by mail to the taxpayer and certificate for refundment by the commissioner shall not be necessary and the provisions of section 270.10, in such case, shall not be applicable.

In the case of an individual, estate or trust, the commissioner may audit and adjust the taxpayer's computation of federal adjusted gross income (or federal taxable income for estates or trusts) to make it properly conform with the provisions of section 290.01, subdivision 20. *In the case of an individual, the commissioner may audit and adjust the taxpayer's computation of itemized deductions to make them properly conform with the provisions of section 10.*

Sec. 34. Minnesota Statutes 1982, section 290.92, subdivision 2a, is amended to read:

Subd. 2a. [COLLECTION AT SOURCE.] (1) [DEDUCTIONS.] Every employer making payment of wages shall deduct and withhold upon such wages a tax as provided in this section.

(2) [WITHHOLDING ON PAYROLL PERIOD.] The employer shall withhold the tax on the basis of each payroll period or as otherwise provided in this section.

(3) [WITHHOLDING TABLES.] Unless the amount of tax to be withheld is determined as provided in subdivision 3, the amount of tax to be withheld for each individual shall be based upon tables to be prepared and distributed by the commissioner. The tables shall be computed for the several permissible withholding periods and shall take account of exemptions allowed

under this section; and the amounts computed for withholding shall be such that the amount withheld for any individual during his taxable year shall approximate in the aggregate as closely as possible the tax which is levied and imposed under this chapter for that taxable year, upon his salary, wages, or compensation for personal services of any kind for the employer, and shall take into consideration the allowable deduction for federal income tax and the deduction allowable under section (290.09) 10, subdivision (15) 3, and the personal credits allowed against the tax.

(4) [MISCELLANEOUS PAYROLL PERIOD.] If wages are paid with respect to a period which is not a payroll period, the amount to be deducted and withheld shall be that applicable in the case of a miscellaneous payroll period containing a number of days, including Sundays and holidays, equal to the number of days in the period with respect to which such wages are paid.

(5) [MISCELLANEOUS PAYROLL PERIOD.] (a) In any case in which wages are paid by an employer without regard to any payroll period or other period, the amount to be deducted and withheld shall be that applicable in the case of a miscellaneous payroll period containing a number of days equal to the number of days, including Sundays and holidays, which have elapsed since the date of the last payment of such wages by such employer during the calendar year, or the date of commencement of employment with such employer during such year, or January 1 of such year, whichever is the later.

(b) In any case in which the period, or the time described in clause (a), in respect of any wages is less than one week, the commissioner, under regulations prescribed by him, may authorize an employer to determine the amount to be deducted and withheld under the tables applicable in the case of a weekly payroll period, in which case the aggregate of the wages paid to the employee during the calendar week shall be considered the weekly wages.

(6) [WAGES COMPUTED TO NEAREST DOLLAR.] If the wages exceed the highest bracket, in determining the amount to be deducted and withheld under this subdivision, the wages may, at the election of the employer, be computed to the nearest dollar.

(7) [REGULATIONS ON WITHHOLDING.] The commissioner may, by regulations, authorize employers:

(a) To estimate the wages which will be paid to any employee in any quarter of the calendar year;

(b) To determine the amount to be deducted and withheld upon each payment of wages to such employee during such quarter as if the appropriate average of the wages so estimated constituted the actual wages paid; and

(c) To deduct and withhold upon any payment of wages to such employee during such quarter such amount as may be necessary to adjust the amount actually deducted and withheld upon wages of such employee during such quarter to the amount required to be deducted and withheld during such quarter without regard to this paragraph (7).

(8) [ADDITIONAL WITHHOLDING.] The commissioner is authorized to provide by rule for increases or decreases in the amount of withholding otherwise required under this section in cases where the employee requests the changes. Such additional withholding shall for all purposes be considered tax required to be deducted and withheld under this section.

(9) [TIPS.] In the case of tips which constitute wages, this subdivision shall be applicable only to such tips as are included in a written statement furnished to the employer pursuant to section 6053 of the Internal Revenue Code of 1954, as amended through December 31, 1981, and only to the extent that the tax can be deducted and withheld by the employer, at or after the time such statement is so furnished and before the close of the calendar year in which such statement is furnished, from such wages of the employee (excluding tips, but including funds turned over by the employee to the employer for the purpose of such deduction and withholding) as are under the control of the employer; and an employer who is furnished by an employee a written statement of tips (received in a calendar month) pursuant to section 6053 of the Internal Revenue Code of 1954 as amended through December 31, 1981 to which subdivision 1 is applicable may deduct and withhold the tax with respect to such tips from any wages of the employee (excluding tips) under his control, even though at the time such statement is furnished the total amount of the tips included in statements furnished to the employer as having been received by the employee in such calendar month in the course of his employment by such employer is less than \$20. Such tax shall not at any time be deducted and withheld in an amount which exceeds the aggregate of such wages and funds as are under the control of the employer minus any tax required by other provisions of state or federal law to be collected from such wages and funds.

Sec. 35. Minnesota Statutes 1982, section 290.92, subdivision 6, is amended to read:

Subd. 6. [RETURNS, DEPOSITS.] (1) (a) [RETURNS.] Every employer who is required to deduct and withhold tax under subdivision 2a or 3 shall file a return with the commissioner for each quarterly period, on or before the last day of the month following the close of each quarterly period, unless otherwise prescribed by the commissioner. Any tax required to be deducted and withheld during the quarterly period shall be paid with the return unless an earlier time for payment is provided herein. However, any such return may be filed on or before the tenth day of the second calendar month following such

period if such return shows timely deposits in full payment of such taxes due for such period. For the purpose of the preceding sentence, a deposit which is not required to be made within such return period, may be made on or before the last day of the first calendar month following the close of such period. Every employer, in preparing said quarterly return, shall take credit for monthly deposits previously made in accordance with this subdivision.

The return shall be in the form and contain the information prescribed by the commissioner. The commissioner may grant a reasonable extension of time for filing the return and paying the tax, but no extension shall be granted for more than six months.

(b) [ADVANCE DEPOSITS REQUIRED IN CERTAIN CASES.] (i) Unless clause (ii) is applicable, if during any calendar month, other than the last month of the calendar quarter, the aggregate amount of the tax withheld during that quarter under subdivision 2a or 3 exceeds \$200, or beginning January 1, 1982, \$500, the employer shall deposit the aggregate amount with the commissioner within 15 days after the close of the calendar month. (ii) If at the close of any eighth-monthly period the aggregate amount of undeposited taxes is \$3,000 or more, the employer shall deposit the undeposited taxes with the commissioner within three banking days after the close of the eighth-monthly period. For purposes of this subparagraph, the term "eighth-monthly period" means the first three days of a calendar month, the fourth day through the seventh day of a calendar month, the eighth day through the 11th day of a calendar month, the 12th day through the 15th day of a calendar month, the 16th day through the 19th day of a calendar month, the 20th day through the 22nd day of a calendar month, the 23rd day through the 25th day of a calendar month, or the portion of a calendar month following the 25th day of such month.

(c) [OTHER METHODS.] The commissioner shall have the power by rule to prescribe other return periods or deposit requirements. In prescribing the reporting period, the commissioner may classify employers according to the amount of their tax liability and may adopt an appropriate reporting period for each class which he deems to be consistent with efficient tax collection. In no event shall the duration of the reporting period be more than one year, provided that for employers with annual withholding tax liabilities of less than \$1,200 the reporting period shall be no more frequent than quarterly.

(2) If less than the correct amount of such tax is paid to the commissioner, proper adjustments, with respect to both the tax and the amount to be deducted, shall be made, without interest, in such manner and at such times as the commissioner may prescribe. If such underpayment cannot be so adjusted the amount of the underpayment shall be assessed and collected in such manner and at such times as the commissioner may prescribe.

(3) If any employer fails to make and file any return required by paragraph (1) at the time prescribed therefor, or makes and files a false or fraudulent return, the commissioner shall make for him a return from his own knowledge and from such information as he can obtain through testimony, or otherwise, and assess a tax on the basis thereof. The amount of tax shown thereon shall be paid to the commissioner at such times as the commissioner may prescribe. Any such return or assessment so made by the commissioner shall be prima facie correct and valid, and the employer shall have the burden of establishing its incorrectness or invalidity in any action or proceeding in respect thereto.

(4) If the commissioner, in any case, has reason to believe that the collection of the tax provided for in paragraph (1) of this subdivision, and any added penalties and interest, if any, will be jeopardized by delay, he may immediately assess such tax, whether or not the time otherwise prescribed by law for making and filing the return and paying such tax has expired.

(5) Any assessment under this subdivision shall be made by recording the liability of the employer in the office of the commissioner in accordance with regulations prescribed by the commissioner. Upon request of the employer, the commissioner shall furnish the employer a copy of the record of assessment.

(6) Any assessment of tax under this subdivision shall be made within three and one-half years after the due date of the return required by paragraph (1), or the date the return was filed, whichever is later; except that in the case of a false or fraudulent return or failure to file a return, the tax may be assessed at any time.

(7) (a) Except as provided in (b) of this paragraph, every employer who fails to pay to or deposit with the commissioner any sum or sums required by this section to be deducted, withheld and paid, shall be personally and individually liable to the state of Minnesota for such sum or sums (and any added penalties and interest); and any sum or sums deducted and withheld in accordance with the provisions of subdivision 2a or subdivision 3 shall be held to be a special fund in trust for the state of Minnesota.

(b) If the employer, in violation of the provision of this section, fails to deduct and withhold the tax under this section, and thereafter the taxes against which such tax may be credited are paid, the tax so required to be deducted and withheld shall not be collected from the employer; but this shall in no case relieve the employer from liability for any penalties and interest otherwise applicable in respect of such failure to deduct and withhold.

(8) Upon the failure of any employer to pay to or deposit with the commissioner within the time provided by paragraphs (1), (2) or (3) of this subdivision any tax required to be withheld in accordance with the provisions of subdivision 2a or subdivision 3, or if the commissioner has assessed a tax pursuant to paragraph (4), such tax shall become immediately due and payable, and the commissioner may deliver to the attorney general a certified statement of the tax, penalties and interest due from such employer. The statement shall also give the address of the employer owing such tax, the period for which the tax is due, the date of the delinquency, and such other information as may be required by the attorney general. It shall be the duty of the attorney general to institute legal action in the name of the state to recover the amount of such tax, penalties, interest and costs. The commissioner's certified statement to the attorney general shall for all purposes and in all courts be prima facie evidence of the facts therein stated and that the amount shown therein is due from the employer named in the statement. In event action is instituted as herein provided, the court shall, upon application of the attorney general, appoint a receiver of the property and business of the delinquent employer for the purpose of impounding the same as security for any judgment which has been or may be recovered. Any such action shall be brought within four years and three months after the due date of the return or deposit required by paragraph (1), or the date the return was filed, or deposit made whichever is later; except that in the case of failure to make and file such return or if such return is false or fraudulent, or such deposit is not made such action may be brought at any time.

(8a) The period of time during which a tax must be assessed or collection proceedings commenced under this subdivision shall be suspended during the period from the date of filing of a petition in bankruptcy until 30 days after the commissioner of revenue receives notice that the bankruptcy proceedings have been closed or dismissed or the automatic stay has been terminated or has expired.

The suspension of the statute of limitations under this subdivision shall apply to the person against whom the petition in bankruptcy is filed and all other persons who may also be wholly or partially liable for the tax under this chapter.

(9) Either party to an action for the recovery of any tax, interest or penalties under this subdivision may remove the judgment to the supreme court by appeal, as provided for appeals in civil cases.

(10) No suit shall lie to enjoin the assessment or collection of any tax imposed by this section, or the interest and penalties added thereto.

(11) For purposes of this subdivision, a withholding tax payment, return, or deposit is filed or paid on time if the payment, return, or deposit was mailed to the commissioner of revenue on or before the due date, including any extension of time which was granted. The person required to make the payment, return, or deposit shall have the burden of establishing that the payment, return, or deposit was timely mailed by United States mail in an envelope, postage prepaid, and properly addressed.

Sec. 36. Minnesota Statutes 1982, section 290.92, is amended by adding a subdivision to read:

Subd. 26. Any holder of a class A, B, or D license issued by the Minnesota horse racing commission, who makes a payment or payments for winnings on a pari-mutuel betting ticket or tickets on which withholding is required under section 3402(q) of the Internal Revenue Code of 1954, as amended through January 15, 1983, shall deduct from the payment or payments and withhold eight percent of the amount as Minnesota withholding tax. For purposes of this subdivision, winnings from a pari-mutuel betting ticket must be determined by reducing the amount received by the amount paid for the ticket, and payments for winning on a pari-mutuel betting ticket which are not money must be taken into account at their fair market value. For purposes of the provisions of this section, a payment to any person of winnings which are subject to withholding must be treated as if the payment was a wage paid by an employer to an employee. Every individual who is to receive a payment of winnings which are subject to withholding shall furnish the license holder with a statement, made under the penalties of perjury, containing the name, address, and social security account number of the person receiving the payment and of each person entitled to any portion of such payment. The license holder is liable for the payment of the tax required to be withheld under this subdivision and subdivision 27 but is not liable to any person for the amount of the payment.

Sec. 37. Minnesota Statutes 1982, section 290.92, is amended by adding a subdivision to read:

Subd. 27. Any holder of a class A or B license issued by the Minnesota horse racing commission who makes a payment to a holder of a class C license issued by the commission, or who pays an amount as a purse, shall deduct from the payment and withhold seven percent of the amount as Minnesota withholding tax when the amount paid to that individual during the calendar year exceeds \$700. For purposes of the provisions of this section, a payment to any person which is subject to withholding under this subdivision must be treated as if the payment was a wage paid by an employer to an employee. Every individual who is to receive a payment which is subject to withholding under this subdivision shall furnish the license holder with a statement, made

under the penalties of perjury, containing the name, address, and social security account number of the person receiving the payment. No withholding is required if the individual presents a signed certificate from his employer which states that the individual is an employee of that employer. A nonresident individual who holds a class C license must be treated as an athlete for purposes of applying the provisions of sections 290.17, subdivision 2(1)(b)(ii) and 290.92, subdivision 4a.

Sec. 38. Minnesota Statutes 1982, section 290A.03, subdivision 3, is amended to read:

Subd. 3. [INCOME.] (1) "Income" means the sum of the following:

(a) federal adjusted gross income as defined in the Internal Revenue Code of 1954 as amended through (DECEMBER 31, 1981) *March 12, 1982*; and

(b) the sum of the following amounts to the extent not included in clause (a):

(i) additions to federal adjusted gross income as provided in Minnesota Statutes, Section 290.01, Subdivision 20a, Clauses (1), ((3), (9), (14), (15), AND (21)) (2), (6), (10), (11), and (14);

(ii) all nontaxable income;

(iii) recognized net long term capital gains;

(iv) dividends and interest excluded from federal adjusted gross income under sections 116 or 128 of the Internal Revenue Code of 1954;

(v) cash public assistance and relief;

(vi) any pension or annuity (including railroad retirement benefits, all payments received under the federal social security act, supplemental security income, and veterans benefits), which was not exclusively funded by the claimant or spouse, or which was funded exclusively by the claimant or spouse and which funding payments were excluded from federal adjusted gross income in the years when the payments were made;

(vii) nontaxable interest received from the state or federal government or any instrumentality or political subdivision thereof;

(viii) workers' compensation;

(ix) unemployment benefits;

(x) nontaxable strike benefits; and

(xi) the gross amounts of payments received in the nature of disability income or sick pay as a result of accident, sickness, or other disability, whether funded through insurance or otherwise. In the case of an individual who files an income tax return on a fiscal year basis, the term "federal adjusted gross income" shall mean federal adjusted gross income reflected in the fiscal year ending in the calendar year. Federal adjusted gross income shall not be reduced by the amount of a net operating loss carry-back.

(2) "Income" does not include

(a) amounts excluded pursuant to the Internal Revenue Code, Sections 101(a), 102, 117, and 121;

(b) amounts of any pension or annuity which was exclusively funded by the claimant or spouse and which funding payments were not excluded from federal adjusted gross income in the years when the payments were made;

(c) surplus food or other relief in kind supplied by a governmental agency;

(d) relief granted under sections 290A.01 to 290A.20;

(e) child support payments received under a temporary or final decree of dissolution or legal separation;

(f) federal adjusted gross income shall be reduced by wage or salary expense, or expense of work incentive programs which are not allowed as a deduction under provisions of section 280C of the Internal Revenue Code of 1954; or

(g) federal adjusted gross income shall be reduced by the amount of the penalty on the early withdrawal of an all-savers certificate as provided in section 128(e) of the Internal Revenue Code of 1954.

Sec. 39. Minnesota Statutes 1982, section 290A.16, is amended to read:

290A.16 [INCOME TAX DEDUCTION PROHIBITED.]

(NOTWITHSTANDING SECTION 290.09, SUBDIVISION 4.) The income tax deduction for property taxes paid shall not exceed the amount paid, reduced by the amount of credit allowed with respect to the tax pursuant to sections 290A.01 to 290A.20.

Sec. 40. [REPEALER.]

Minnesota Statutes 1982, sections 290.01, subdivisions 23, 27, and 28; 290.032, subdivision 5; 290.06, subdivisions 9 and 9a; 290.077, subdivision 2; 290.08, subdivision 25; 290.09, subdivisions 10, 15, 22, and 27; 290.21, subdivision 3a; 290.501; and 352C.07; and Laws 1982, chapter 523, article VII, section 3, and Third Special Session chapter 1, article V, section 4, are repealed.

Sec. 41. [EFFECTIVE DATE.]

Sections 1 to 40 are effective for taxable years beginning after December 31, 1982, except as otherwise specifically provided by this section or section 2. Section 6 is effective for taxable years beginning after December 31, 1981. For any carryback to a taxable year beginning before January 1, 1983, "\$15,000" shall be substituted for "\$30,000" each place it appears in the second paragraph of Minnesota Statutes, section 290.09, subdivision 29, clause (c), the modifications to the rate of phase-out of the deduction provided by section 20 do not apply to such carryback, and section 20 is effective for carryover amounts from taxable years beginning before January 1, 1983. The amendments striking Minnesota Statutes 1982, section 290.01, subdivision 20a, clause (22) and subdivision 20b, clause (23) are effective for taxable years beginning after December 31, 1983. The amendment to Minnesota Statutes 1982, section 290.01, subdivision 20a, striking clause (5) is effective for medical expenses deducted in taxable years after December 31, 1982. The amendments to Minnesota Statutes 1982, section 290.01, subdivision 20a, striking clause (6) is effective for federal income tax refunds received for taxable years beginning after December 31, 1981. The amendment to Minnesota Statutes 1982, section 290.01, subdivision 20a, striking clause (20) and subdivision 20b, striking clause (20) is effective for taxable years beginning after December 31, 1981. The amendment to Minnesota Statutes 1982, section 290.01, subdivision 20a, modifying clause (25) regarding contributions to simplified employee pension plans and self-employed retirement plans is effective for taxable years beginning after December 31, 1981. The carryover provisions of sections 290.06, subdivisions 9 and 9a continue to apply to credit amounts attributable to a taxable year beginning before January 1, 1983. Section 35 is effective for payments of withholding tax due after August 1, 1983. Section 38 is effective for claims based on rent paid in 1983 and thereafter and for property taxes paid in 1984 and thereafter.

ARTICLE 2

SALES TAX

Section 1. Minnesota Statutes 1982, section 297A.02, as amended by Laws 1982, Third Special Session chapter 1, article VI, section 2, is amended to read:

297A.02 [IMPOSITION OF TAX.]

Subdivision 1. [GENERALLY.] Except as otherwise provided in this chapter, there is hereby imposed an excise tax of (FIVE) six percent of the gross receipts from sales at retail (, AS HEREINBEFORE DEFINED,) made by any person in this state (, EXCEPT THAT FOR SALES AT RETAIL MADE AFTER DECEMBER 31, 1982 AND PRIOR TO JULY 1, 1983 THE RATE SHALL BE SIX PERCENT).

Subd. 2. [FARM MACHINERY.] Notwithstanding the provisions of subdivision 1, the rate of the excise tax imposed upon sales of farm machinery shall be four percent.

Subd. 3. [LIQUOR, WINE, AND BEER SALES.] Notwithstanding the provisions of subdivision 1, the rate of the excise tax imposed upon sales of intoxicating liquor, fermented malt beverages, and wine shall be eight percent.

Sec. 2. Minnesota Statutes 1982, section 297A.03, subdivision 2, as amended by Laws 1982, Third Special Session chapter 1, article VI, section 3, is amended to read:

Subd. 2. It shall be unlawful for any retailer to advertise or hold out or state to the public or any customer, directly or indirectly, that the tax or any part thereof will be assumed or absorbed by the retailer, or that it will not be added to the sales price or that, if added, it or any part thereof will be refunded except that in computing the tax to be collected as the result of any transaction amounts of tax less than one-half of one cent may be disregarded and amounts of tax if one-half cent or more may be considered an additional cent. If the sales price of any sale at retail is (NINE CENTS OR LESS, OR IF THE SALES PRICE OF ANY SALE AT RETAIL MADE AFTER DECEMBER 31, 1982 AND PRIOR TO JULY 1, 1983, IS) eight cents or less, no tax shall be collected. Any person violating this provision shall be guilty of a misdemeanor.

Sec. 3. Minnesota Statutes 1982, section 297A.14, as amended by Laws 1982, Third Special Session chapter 1, article VI, section 4, is amended to read:

297A.14 [USING, STORING OR CONSUMING TANGIBLE PERSONAL PROPERTY; ADMISSIONS; UTILITIES.]

For the privilege of using, storing or consuming in Minnesota tangible personal property, tickets or admissions to places of amusement and athletic events, electricity, gas, and local exchange telephone service purchased for use, storage or consumption in this state, there is (HEREBY) imposed on every person in this state a use tax at the rate of (FIVE) six percent of the sales price of sales at retail of any of the aforementioned items

(MADE TO SUCH PERSON) unless the tax imposed by section 297A.02 was paid on the sales price (, EXCEPT THAT FOR SALES AT RETAIL OF ANY OF THE AFOREMENTIONED ITEMS MADE AFTER DECEMBER 31, 1982 AND PRIOR TO JULY 1, 1983 THE RATE SHALL BE SIX PERCENT). Notwithstanding the provisions of this paragraph, the rate of the use tax imposed upon the sales price of sales of farm machinery shall be four percent.

A motor (VEHICLES) *vehicle* subject to tax under this section shall be taxed at (THE) *its* fair market value at the time of transport into Minnesota if (SUCH) *the* motor (VEHICLES WERE) *vehicle was* acquired more than three months prior to its transport into this state.

(NOTWITHSTANDING ANY OTHER PROVISIONS OF SECTIONS 297A.01 TO 297A.44 TO THE CONTRARY, THE COST OF PAPER AND INK PRODUCTS EXCEEDING \$100,000 IN ANY CALENDAR YEAR, USED OR CONSUMED IN PRODUCING A PUBLICATION AS DEFINED IN SECTION 297A.25, SUBDIVISION 1, CLAUSE (I) IS SUBJECT TO THE TAX IMPOSED BY THIS SECTION.)

Sec. 4. Minnesota Statutes 1982, section 297A.35, subdivision 3, is amended to read:

Subd. 3. A person who has paid an amount of tax to a retailer engaged in providing electricity in respect to the purchase for agricultural production of electricity which is exempt from tax under section 297A.25, subdivision 1, clause (h) may file a claim for refund of (SUCH) *the* tax with the commissioner, notwithstanding any other provision of this chapter. (SUCH CLAIM FOR REFUND SHALL BE MADE PURSUANT TO SECTION 290.501.)

Sec. 5. Minnesota Statutes 1982, section 297B.02, as amended by Laws 1982, Third Special Session chapter 1, article VI, section 5, is amended to read:

297B.02 [TAX IMPOSED.]

There is (HEREBY) imposed an excise tax at the rate (OF FIVE PERCENT) *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.

Sec. 6. [REPEALER.]

Minnesota Statutes 1982, section 340.986, is repealed.

Sec. 7. [EFFECTIVE DATE.]

Sections 1 to 6 are effective for sales made on or after July 1, 1983.

ARTICLE 3

PROPERTY TAX

Section 1. [116C.636] [ANNUAL PAYMENTS.]

A utility shall annually pay to the owners of land defined as class 3, 3b, 3c, 3cc, 3d, or 3f pursuant to section 273.13 listed on records of the county auditor or treasurer over which runs a high voltage transmission line as defined in section 116C.52, subdivision 3, an amount determined and certified to the utility by the auditor as herein provided. Prior to August 1, 1984 the auditor of each county shall send a statement to the utility specifying the dollar amount which each qualifying owner of land within the county received in 1983 pursuant to section 273.42, subdivision 2. He shall also provide the utility with the parcel identification, owner's name, address and other pertinent information which the utility needs to make the required payment. The payments as herein provided shall be made to each affected landowner by the appropriate utility on or before October 1, 1984 and each year thereafter. These payments shall not reduce any payment pursuant to a voluntary agreement or eminent domain proceeding.

Sec. 2. Minnesota Statutes 1982, section 124.2137, subdivision 1, is amended to read:

Subdivision 1. [TAX REDUCTIONS.] The county auditor shall reduce the tax for school purposes on all property receiving the homestead credit pursuant to section 273.13, subdivision 6, by an amount equal to the tax levy that would be produced by applying a rate of (18) 21 mills on up to 320 acres of (THE PROPERTY) land including the buildings and structures thereon, but excluding the homestead dwelling and surrounding one acre of land. The county auditor shall reduce the tax for school purposes on the next 320 acres classified pursuant to section 273.13, subdivision 6 by an amount equal to the tax levy that would be produced by applying a rate of ten mills on the property. The tax on all other agricultural lands classified pursuant to section 273.13, subdivision 6 shall be reduced by an amount equal to the tax levy that would be produced by applying a rate of eight mills on the property. The tax on the first 320 acres of agricultural land classified pursuant to section 273.13, subdivision 4 and all real estate devoted to temporary and seasonal residential occupancy for recreational purposes, but not devoted to commercial purposes, shall be reduced by an amount that would be produced by applying a rate of ten mills on the property. The tax on timber land classified pursuant to section 273.13, subdivision 8a and agricultural land in excess of 320 acres classified pursuant to section 273.13, subdivision 4 shall be reduced by an

amount equal to the tax levy that would be produced by applying a rate of eight mills on the property. *The maximum amount of the agricultural mill rate credit which any taxpayer can receive on all qualifying property which he owns shall be limited to \$2,750. In the case of property owned by more than one person, the \$2,750 maximum credit limitation shall apply to the total of all combined owners.* The aid 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 the provisions of section 275.29. Any prior year adjustments shall also be certified in the abstracts of tax lists. The commissioner of revenue shall review such certifications to determine their accuracy. He may make such changes in the certification as he may deem necessary or return a certification to the county auditor for corrections.

Sec. 3. Minnesota Statutes 1982, section 272.02, subdivision 1, is amended to read:

Subdivision 1. Except as provided in other subdivisions of this section or in section 272.025 or section 273.13, subdivisions 17, 17b, 17c or 17d, 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 property assessed pursuant to section 273.13, subdivisions 17, 17b, 17c or 17d;
- (7) All public property exclusively used for any public purpose;
- (8) (a) Class 2 property of every household of the value of \$100, maintained in the principal place of residence of the owner thereof. The county auditor shall deduct such exemption from the total valuation of such property as equalized by the revenue commissioner assessed to such household, and extend the levy of taxes upon the remainder only. The term "household" as used in this section is defined to be a domestic establishment maintained either (1) by two or more persons living together within the same house or place of abode, subsisting in common

and constituting a domestic or family relationship, or (2) by one person.

(b) During the period of his active service and for six months after his discharge therefrom, no member of the armed forces of the United States shall lose status of a householder under paragraph (a) which he had immediately prior to becoming a member of the armed forces.

In case there is an assessment against more than one member of a household the \$100 exemption shall be divided among the members assessed in the proportion that the assessed value of the Class 2 property of each bears to the total assessed value of the Class 2 property of all the members assessed. The Class 2 property of each household claimed to be exempt shall be limited to property in one taxing district, except in those cases where a single domestic establishment is maintained in two or more adjoining districts.

Bonds and certificates of indebtedness hereafter issued by the state of Minnesota, or by any county or city of the state, or any town, or any common or independent school district of the state, or any governmental board of the state, or any county or city thereof, shall hereafter be exempt from taxation; provided, that nothing herein contained shall be construed as exempting such bonds from the payment of a tax thereon, as provided for by section 291.01, when any of such bonds constitute, in whole or in part, any inheritance or bequest, taken or received by any person or corporation.

(9) Farm machinery manufactured prior to 1930, which is used only for display purposes as a collectors item;

(10) The taxpayer shall be exempt with respect to, all agricultural products, inventories, stocks of merchandise of all sorts, all materials, parts and supplies, furniture and equipment, manufacturers material, manufactured articles including the inventories of manufacturers, wholesalers, retailers and contractors; and the furnishings of a room or apartment in a hotel, rooming house, tourist court, motel or trailer camp, tools and machinery which by law are considered as personal property, and the property described in section 272.03, subdivision 1, clause (c), except personal property which is part of an electric generating, transmission, or distribution system or a pipeline system transporting or distributing water, gas, 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. Railroad docks and wharves which are part of the operating property of a railroad company as defined in section 270.80 are not exempt.

(11) Containers of a kind customarily in the possession of the consumer during the consumption of commodities, the sale

of which are subject to tax under the provisions of the excise tax imposed by Extra Session Laws 1967, Chapter 32;

(12) All livestock, poultry, all horses, mules and other animals used exclusively for agricultural purposes;

(13) All agricultural tools, implements and machinery used by the owners in any agricultural pursuit.

(14) 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. Any such equipment or device shall meet standards, regulations 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. If the commissioner determines that property qualifies for exemption, he shall issue an order exempting such property from taxation. Any such 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.

(15) Wetlands. For purposes of this subdivision, "wetlands" means land which is mostly under water, produces little if any income, and has no use except for wildlife or water conservation purposes. "Wetlands" shall be land preserved in its natural condition (.) *which predominantly supports aquatic emergent, submergent or nonwoody vegetation and drainage of which would be legal, feasible and practical* (AND WOULD PROVIDE LAND SUITABLE 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. 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.

(16) 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 his 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.

(17) 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 1954, as amended through December 31, 1980, notwithstanding the fact that the sponsoring organization receives funding under section 8 of the United States Housing Act of 1937, as amended.

(18) 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.

(19) To the extent provided by section 295.44, real and personal property used or to be used primarily for the production of hydroelectric 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.

Sec. 4. Minnesota Statutes 1982, section 272.03, subdivision 8, is amended to read:

Subd. 8. [MARKET VALUE.] "Market value" means the usual selling price at the place where the property to which the term is applied shall be at the time of assessment; being the price which could be obtained at a private sale (AND NOT AT FORCED) or an auction sale, if it is determined by the assessor that the price from the auction sale represents an arms length transaction. The price obtained at a forced sale shall not be considered.

Sec. 5. Minnesota Statutes 1982, section 272.115, subdivision 1, is amended to read:

272.115 [CERTIFICATE OF VALUE; FILING.]

Subdivision 1. Whenever any real estate is sold on or after January 1, 1978 for a consideration in excess of \$1,000, whether by warranty deed, quitclaim deed, contract for deed or any other method of sale, the grantor, grantee or his legal agent shall file a certificate of value with the county auditor in the county in which the property is located. Value shall, in the case of any deed not a gift, be the amount of the full actual consideration thereof, paid or to be paid, including the amount of any lien or liens assumed. The certificate of value shall include the classification to which the property belongs for the purpose of determining the fair market value of the property. *The certificate shall include financing terms and conditions of the sale which are necessary to determine the actual, present value of the sale price for purposes of the sales ratio study. The commissioner of revenue shall promulgate administrative rules specifying the financing terms and conditions which must be included on the certificate.*

Sec. 6. Minnesota Statutes 1982, section 273.11, subdivision 1, is amended to read:

Subdivision 1. [GENERALLY.] Except as provided in subdivisions 6 and 7 or section 273.17, subdivision 1, all property shall be valued at its market value. The market value as determined pursuant to this section shall be stated such that any amount under \$100 is rounded up to \$100 and any amount exceeding \$100 shall be rounded to the nearest \$100. In estimating and determining such value, the assessor shall not adopt a lower or different standard of value because the same is to serve as a basis of taxation, nor shall he adopt as a criterion of value the price for which such property would sell (AT AUCTION OR) at a forced sale, or in the aggregate with all the property in the town or district; but he shall value each article or description of property by itself, and at such sum or price as he believes the same to be fairly worth in money. In assessing any tract or lot of real property, the value of the land, exclusive of structures and improvements, shall be determined, and also the value of all structures and improvements thereon, and the aggregate value of the property, including all structures and improvements, excluding the value of crops growing upon cultivated land. In valuing real property upon which there is a mine or quarry, it shall be valued at such price as such property, including the mine or quarry, would sell for a fair, voluntary sale, for cash. In valuing real property which is vacant, the fact that such property is platted shall not be taken into account. An individual lot of such platted property shall not be assessed in excess of the assessment of the land as if it were unplatted until the lot is improved with a permanent improvement all or a portion of

which is located upon the lot, or for a period of three years after final approval of said plat whichever is shorter. When a lot is sold or construction begun, the assessed value of that lot or any single contiguous lot fronting on the same street shall be eligible for reassessment. All property, or the use thereof, which is taxable under sections 272.01, subdivision 2, or 273.19, shall be valued at the market value of such property and not at the value of a leasehold estate in such property, or at some lesser value than its market value.

Sec. 7. Minnesota Statutes 1982, section 273.115, subdivision 1, is amended to read:

Subdivision 1. The county auditor shall annually reduce the tax liability of each owner of wetlands exempt from property taxation pursuant to section 272.02, subdivision 1, clause (15), by an amount equal to (THREE-FOURTHS) *one-half* of one percent of the average level of estimated market value of an acre of tillable land in the township, city or unorganized territory in which the qualifying wetland is located, multiplied by the number of acres of wetlands he owns. Any excess of credit over tax liability shall not be paid to the property owner but shall be applied to the tax liability of the owner of the wetlands for any parcel he owns which is contiguous to the parcel containing the wetlands.

Sec. 8. Minnesota Statutes 1982, section 273.115, subdivision 2, is amended to read:

Subd. 2. The total (AMOUNTS) *amount* of (CREDITS) *credit* allowed pursuant to subdivision 1 (AND THE TOTAL AMOUNTS OF REVENUE LOST AS A RESULT OF THE EXEMPTION PROVIDED IN SECTION 272.02, SUBDIVISION 1, CLAUSE (15),) shall be submitted by the county auditor to the commissioner of revenue as part of the abstracts of tax lists required to be filed with the commissioner under the provisions of section 275.29. (THE AMOUNT OF REVENUE LOST AS A RESULT OF THE EXEMPTION SHALL BE COMPUTED EACH YEAR BY APPLYING THE CURRENT MILL RATES OF THE TAXING JURISDICTIONS IN WHICH THE WETLANDS ARE LOCATED TO THE ASSESSED VALUATION OF THE WETLANDS FOR PURPOSES OF TAXES LEVIED IN 1979, PAYABLE IN 1980. PROVIDED THAT PAYMENT TO THE COUNTY FOR LOST REVENUE SHALL NOT BE LESS THAN THE REVENUE WHICH WOULD HAVE BEEN RECEIVED IN TAXES IF THE WETLANDS HAD AN ASSESSED VALUE OF \$5 PER ACRE.) The commissioner of revenue shall review such certifications to determine their accuracy. He may make such changes in the certification as he may deem necessary or return a certification to the county auditor for corrections.

Sec. 9. Minnesota Statutes 1982, section 273.115, subdivision 3, is amended to read:

Subd. 3. Payment shall be made according to the procedure provided in section 273.13, subdivision 15a, for the (PURPOSE OF REPLACING REVENUE LOST AS A RESULT OF THE EXEMPTION PROVIDED IN SECTION 272.02, SUBDIVISION 1, CLAUSE (15), AND THE) credit provided in this section.

Sec. 10. Minnesota Statutes 1982, section 273.13, subdivision 6, is amended to read:

Subd. 6. [CLASS 3B.] Agricultural land, except as provided by class 1 hereof, and which is used for the purposes of a homestead shall constitute class 3b and shall be valued and assessed (FOR TAXES PAYABLE IN 1981 AND THEREAFTER) as follows: the first \$50,000 of market value shall be valued and assessed at 14 percent; the remaining market value shall be valued and assessed at 19 percent. (EFFECTIVE FOR TAXES PAYABLE IN 1982 AND THEREAFTER,) The maximum amount of the market value of the homestead bracket subject to the 14 percent rate shall be adjusted by the commissioner of revenue as provided in section 273.1311. The property tax to be paid on class 3b property as otherwise determined by law less any reduction received pursuant to sections (124.213) 124.2137 and 273.135 shall be reduced by 58 percent of the tax for taxes payable in (1981) 1984 and thereafter; provided that the amount of said reduction shall not exceed \$650. (VALUATION SUBJECT TO RELIEF SHALL BE LIMITED TO 240 ACRES OF LAND, MOST CONTIGUOUS SURROUNDING, BORDERING, OR CLOSEST TO THE HOUSE OCCUPIED BY THE OWNER AS HIS DWELLING PLACE, AND SUCH OTHER STRUCTURES AS MAY BE INCLUDED THEREON UTILIZED BY THE OWNER IN AN AGRICULTURAL PURSUIT, PROVIDED THAT NONCONTIGUOUS LAND SHALL CONSTITUTE CLASS 3B ONLY IF THE HOMESTEAD IS CLASSIFIED AS CLASS 3B 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.) The first \$12,000 market value of each tract of real estate which is rural in character and devoted or adaptable to rural but not necessarily agricultural use, used for the purpose of a homestead shall be exempt from taxation for state purposes; except as specifically provided otherwise by law.

Agricultural land as used herein, and in section 124.2137, shall mean 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.

Real estate of less than ten acres used principally for raising poultry, livestock, fruit, vegetables or other agricultural prod-

ucts, shall be considered as agricultural land, if it is not used primarily for residential purposes.

(EFFECTIVE FOR THE 1981 ASSESSMENT AND IN SUBSEQUENT YEARS,) The assessor shall determine and list separately on his 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. 11. Minnesota Statutes 1982, section 273.13, subdivision 6a, is amended to read:

Subd. 6a. [HOMESTEAD OWNED BY FAMILY FARM CORPORATION OR PARTNERSHIP.] (a) Each family farm corporation and each partnership operating a family farm shall be entitled to class 3b assessment and shall be eligible for the credit provided in subdivision 6 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. (SUCH A) *The* homestead (SHALL NOT EXCEED 240 ACRES, AND) shall be assessed as provided in subdivision 6, notwithstanding the fact that legal title to the property may be in the name of the corporation or partnership and not in the name of the person residing thereon. "Family farm corporation" and "family farm" shall mean as defined in section 500.24.

(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 shall also be assessed as class 3b property, and be entitled to the credit provided in subdivision 6, but the property eligible shall be 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 shall not include any other structures that may be located thereon.

Sec. 12. Minnesota Statutes 1982, section 273.13, subdivision 7, is amended to read:

Subd. 7. [CLASS 3C, 3CC.] All other real estate and class 2a property, except as provided by classes 1 and 3cc, which is used for the purposes of a homestead, shall constitute class 3c, and shall be valued and assessed (FOR TAXES PAYABLE IN 1981 AND THEREAFTER) as follows: the first \$25,000 of market value shall be valued and assessed at 16 percent; the next \$25,000 of market value shall be valued and assessed at 22 percent; and the remaining market value shall be valued and assessed at 28 percent. (EFFECTIVE FOR TAXES PAYABLE

IN 1982 AND THEREAFTER,) The maximum amounts of the market value of the homestead brackets subject to the 16 percent and 22 percent rates shall be adjusted by the commissioner of revenue as provided in section 273.1311. The property tax to be paid on class 3c property as otherwise determined by law, less any reduction received pursuant to section 273.135 shall be reduced by (58 PERCENT OF THE TAX FOR TAXES PAYABLE IN 1981 AND THEREAFTER; PROVIDED THAT THE AMOUNT OF SAID REDUCTION SHALL NOT EXCEED \$650) *the homestead credit amount determined pursuant to subdivision 7e.* The first \$12,000 market value of each tract of such real estate used for the purposes of a homestead shall be exempt from taxation for state purposes; except as specifically provided otherwise by law.

Class 3cc property shall include real estate or manufactured homes used for the purposes of a homestead by (a) any blind person, if (SUCH) *the blind person is the owner thereof or if (SUCH) the blind person and his or her spouse are the sole owners thereof;* or (b) any person (hereinafter referred to as veteran) who: (1) served in the active military or naval service of the United States and (2) 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 (3) 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 (SUCH A) *the deceased veteran for as long as the surviving spouse retains the special housing unit as his or her homestead;* or (c) any person who: (1) is permanently and totally disabled and (2) (IS RECEIVING) *receives 90 percent of his total income from (i) aid from any state as a result of that disability, or (ii) supplemental security income for the disabled, or (iii) workers' compensation based on a finding of total and permanent disability, or (iv) 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 (v) aid under the Federal Railroad Retirement Act of 1937, 45 United States Code Annotated, Section 228b(a)5, or (vi) a pension from any local government retirement fund located in the state of Minnesota as a result of that disability (; WHICH AID IS AT LEAST 90 PERCENT OF THE TOTAL INCOME OF SUCH DISABLED PERSON FROM ALL SOURCES).* *Property shall be classified and assessed as class 3cc only if the commissioner of revenue certifies to the assessor that the owner of the property satisfies the requirements of this subdivision.* Class 3cc property shall be valued and assessed (FOR TAXES PAYABLE IN 1981 AND THEREAFTER) as follows: in the case of agricultural land, including a manufactured home, used for a homestead, the first \$33,000 of market value shall be valued and as-

essed at five percent, the next \$17,000 of market value shall be valued and assessed at 14 percent, and the remaining market value shall be valued and assessed at 19 percent; and in the case of all other real estate and manufactured homes, the first \$33,000 of market value shall be valued and assessed at five percent, the next \$17,000 of market value shall be valued and assessed at 22 percent, and the remaining market value shall be valued and assessed at 28 percent. (EFFECTIVE FOR TAXES PAYABLE IN 1982 AND THEREAFTER,) in the case of agricultural land including a manufactured home used for purposes of a homestead, the commissioner of revenue shall adjust, as provided in section 273.1311, the maximum amount of the market value of the homestead brackets subject to the five percent and 14 percent rates; and for all other real estate and manufactured homes, the commissioner of revenue shall adjust, as provided in section 273.1311, the maximum amount of the market value of the homestead brackets subject to the five percent and 22 percent rates. 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 him an income. The property tax to be paid on class 3cc property as otherwise determined by law, less any reduction received pursuant to section 273.135 shall be reduced by 58 percent of the tax for taxes payable in (1981) 1984 and thereafter; provided that the amount of said reduction shall not exceed \$650; except that in the case of 3cc property which is not assessed as agricultural, the homestead credit amount shall be determined pursuant to subdivision 7e.

For purposes of this subdivision, homestead property which qualifies for the classification ratios and credits provided in this subdivision 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 owners shall apply for it to the assessor by July 1 of 1983 or the year when the treatment is initially sought. After initial qualification for the homestead treatment, additional applications for subsequent years are not required.

Sec. 13. Minnesota Statutes 1982, section 273.13, is amended by adding a subdivision to read:

Subd. 7e. [HOMESTEAD CREDIT.] The homestead credit amount is determined by multiplying the homestead credit percentage by the qualifying tax amount. The homestead credit percentage equals 20 percent plus an additional percentage equal to one-third of the total mill rate within the property tax sub-district in the previous taxable year, provided that in no case

shall the total percentage exceed 58 percent. The resulting percentage shall be rounded to the nearest whole percent. Only the tax applicable to the first \$60,000 of market value shall qualify for homestead credit. No homestead shall receive a homestead credit greater than \$650.

For the purpose of this subdivision, "property tax subdistrict" means a set of parcels, all of which lie within the same county, city or town, and school district. "Total mill rate within the property tax subdistrict" means the highest total mill rate for all purposes applied against one or more parcels within a property tax subdistrict.

The commissioner of revenue shall notify each county auditor annually on or before September 1 of the homestead credit percentage which shall be used in each property tax subdistrict within the county. Effective for taxes payable in 1985 and thereafter, the homestead credit percentage pursuant to this subdivision will be limited to a one percentage point increase over the previous year.

Sec. 14. Minnesota Statutes 1982, section 273.13, subdivision 8a, is amended to read:

Subd. 8a. [CLASS 3E.] Real estate, rural in character, located outside the boundaries of a home rule charter or statutory city, and used exclusively for the purpose of growing trees for timber, lumber, wood and wood products shall constitute class 3e, and shall be valued and assessed at 19 percent of the market value thereof.

Sec. 15. Minnesota Statutes 1982, section 273.13, subdivision 9, is amended to read:

Subd. 9. [CLASS 4A, 4B, 4C, AND 4D.] (1) All property not included in the preceding classes shall constitute class 4a and shall be valued and assessed at 43 percent of the market value thereof, except as otherwise provided in this subdivision.

(2) Real property which is not improved with a structure and which is not utilized as part of a commercial or industrial activity shall constitute class 4b and shall be valued and assessed at (40) 34 percent of market value.

(3) Commercial and industrial property, except as provided in this subdivision, shall constitute class 4c and shall be valued and assessed at (40) 34 percent of the first \$50,000 of market value and 43 percent of the remainder, provided that in the case of state-assessed commercial or industrial property owned by one person or entity, only one parcel shall qualify for the (40) 34 percent assessment, and in the case of other commercial or in-

dustrial property owned by one person or entity, only one parcel in each county shall qualify for the (40) 34 percent assessment.

(4) Industrial employment property defined in section 273.1313, during the period provided in section 273.1313, shall constitute class 4d and shall be valued and assessed at 20 percent of the first \$50,000 of market value and 21.5 percent of the remainder.

Sec. 16. Minnesota Statutes 1982, section 273.13, subdivision 11, is amended to read:

Subd. 11. [ASSESSOR MAY REQUIRE PROOF.] The assessor (MAY) shall require proof, by affidavit or otherwise of the facts upon which classification as a homestead may be determined under the provisions of subdivisions 5a, 6, 7, 7c, 7d, and 10.

Sec. 17. Minnesota Statutes 1982, section 273.13, subdivision 14a, is amended to read:

Subd. 14a. [BUILDINGS AND APPURTENANCES ON LAND NOT OWNED BY OCCUPANT.] The property tax to be paid in respect of the value of all buildings and appurtenances thereto owned and used by the occupant as a permanent residence, which are located upon land subject to property taxes and the title to which is vested in a person or entity other than the occupant, for all purposes shall be reduced by (58 PERCENT OF THE AMOUNT OF THE TAX IN RESPECT OF SAID VALUE AS OTHERWISE DETERMINED BY LAW FOR TAXES PAYABLE IN 1981, AND THEREAFTER, BUT NOT BY MORE THAN \$650) the homestead credit amount determined pursuant to subdivision 7e.

Sec. 18. Minnesota Statutes 1982, section 273.13, subdivision 17, is amended to read:

Subd. 17. [TITLE II OR STATE HOUSING FINANCE AGENCY PROPERTY USED FOR ELDERLY AND LOW AND MODERATE INCOME FAMILIES.] A structure situated on real property that is used for housing for the elderly or for low and moderate income families as defined by Title II of the National Housing Act or the Minnesota housing finance agency law of 1971 or regulations promulgated by the agency pursuant thereto and financed by a direct federal loan or federally insured loan or a loan made by the Minnesota housing finance agency pursuant to the provisions of either of said acts and acts amendatory thereof shall, for 15 years from the date of the completion of the original construction or substantial rehabilitation, or for the original term of the loan, be assessed at (20) 22 percent of the market value thereof, provided that the fair market value as determined by the assessor is based on the normal approach to value using normal unrestricted rents.

For those structures which qualify pursuant to this subdivision but whose construction commences after January 1, 1984, the 22 percent classification rate shall be applicable only on that portion of the structure which is occupied by qualified elderly or low and moderate income families.

Sec. 19. Minnesota Statutes 1982, section 273.13, subdivision 17b, is amended to read:

Subd. 17b. [VALUATION OF FARMERS HOME ADMINISTRATION PROPERTY IN MUNICIPALITIES OF UNDER 10,000.] Notwithstanding any other provision of law, any structure

(a) situated on real property that is used for housing for the elderly or for low and moderate income families as defined by the farmers home administration,

(b) located in a municipality of less than 10,000 population,

(c) financed by a direct loan or insured loan from the farmers home administration, and

(d) which qualifies under subdivision 17a, shall, for 15 years from the date of the completion of the original construction or for the original term of the loan, be assessed for the 1983 assessment for taxes payable in 1984, at (FIVE) six percent of the market value thereof (.); for the 1984 assessment for taxes payable in 1985, be assessed at eight percent of the market value thereof; for the 1985 assessment for taxes payable in 1986, be assessed at 11 percent of the market value thereof; for the 1986 assessment for taxes payable in 1987, be assessed at 14 percent of the market value thereof; for the 1987 assessment for taxes payable in 1988, be assessed at 18 percent of the market value thereof; and for the 1988 assessment and thereafter for taxes payable in 1989 and thereafter, be assessed at 22 percent of the market value thereof; provided that the fair market value as determined by the assessor is based on the normal approach to value using normal unrestricted rents.

Those structures which qualify pursuant to this subdivision but whose construction commences after January 1, 1984, shall be assessed at 22 percent of the market value thereof. The 22 percent classification rate shall be applicable only on that portion of the structure which is occupied by qualified elderly or low and moderate income families.

Sec. 20. Minnesota Statutes 1982, section 273.13, subdivision 17c, is amended to read:

Subd. 17c. [VALUATION OF LOWER INCOME HOUSING.] A structure which is

(a) situated upon real property that is used for housing lower income families or elderly or handicapped persons, as defined in section 8 of the United States Housing Act of 1937, as amended, and

(b) owned by an entity which has entered into a housing assistance payments contract under section 8 which provides assistance for 100 percent of the dwelling units in the structure, other than dwelling units intended for management or maintenance personnel, shall, for the term of the housing assistance payments contract, including all renewals, or for the term of its permanent financing, whichever is shorter, be assessed at (20) 22 percent of its market value. The market value determined by the assessor shall be based on the normal approach to value using normal unrestricted rents.

For those structures which qualify pursuant to this subdivision but whose construction is commenced after January 1, 1984, the 22 percent classification rate shall be applicable only on that portion of the structure which is occupied by qualified elderly or low and moderate income families.

Sec. 21. Minnesota Statutes 1982, section 273.13, subdivision 20, is amended to read:

Subd. 20. [TAXATION; APARTMENTS; ASSESSED VALUE; APARTMENT HOUSING OF TYPE I OR II CONSTRUCTION.] That portion of real property subject to a general property tax and assessed as a structure upon the land shall, when such structure is constructed with materials meeting the requirements for type I or II construction as defined in the state building code, 90 percent or more is used or is to be used as apartment housing, (AND) no part of which is subject to the provisions of subdivisions 7 (AND), 17, 17b, 17c, and 17d and when such structure is of a height of five or more stories; that part, section, floor, or area used or to be used for apartment housing be classified for the purposes of taxation for a period of 40 years from the date of completion of original construction, or the date of initial though partial use, whichever is the earlier date, as follows: ((A) WHEN SUCH STRUCTURE IS OF A HEIGHT OF FIVE OR MORE STORIES THAT PART, SECTION, FLOOR OR AREA USED OR TO BE USED FOR APARTMENT HOUSING SHALL BE VALUED AND ASSESSED AT 25 PERCENT OF THE MARKET VALUE THEREOF; (B) WHEN SUCH STRUCTURE IS OF A HEIGHT OF FOUR OR LESS STORIES THAT PART, SECTION, FLOOR OR AREA USED OR TO BE USED FOR APARTMENT HOUSING SHALL BE VALUED AND ASSESSED AT 33 1/3 PERCENT OF THE MARKET VALUE THEREOF) *for the 1983 assessment for taxes payable in 1984, it shall be valued and assessed at 28 percent of the market value thereof; for the 1984 assessment for taxes payable in 1985, it shall be valued and assessed at 31 percent of the market value*

thereof; and for the 1985 assessment and thereafter, for taxes payable in 1986 and thereafter, it shall be valued and assessed as class 3d property as provided in subdivision 19.

Sec. 22. [273.1315] [CERTIFICATION OF 3CC PROPERTY.]

Any property owner seeking classification and assessment of his homestead as class 3cc property pursuant to section 273.13, subdivision 7, shall file with the commissioner of revenue for each assessment year a 3cc homestead declaration, on a form prescribed by the commissioner. The declaration shall contain the following information:

(a) the information necessary to verify that the property owner or his spouse satisfies the requirements of section 273.13, subdivision 7, for 3cc classification;

(b) the property owner's household income, as defined in section 290A.03, for the previous calendar year; and

(c) any additional information prescribed by the commissioner.

The declaration shall be filed on or before February 1 of each year to be effective for property taxes payable during the succeeding calendar year. The declaration and any supplementary information received from the property owner pursuant to this section shall be subject to section 290A.47.

The commissioner shall provide to the assessor on or before April 1 a listing of the parcels of property qualifying for 3cc classification.

Sec. 23. Minnesota Statutes 1982, 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 the equalization aid review committee for use in determining school aids shall not be admissible in evidence (AS A PUBLIC RECORD WITHOUT THE LAYING OF A FOUNDATION. ADDITIONAL EVIDENCE RELEVANT TO THE SALES RATIO STUDY IS ALSO ADMISSIBLE) in any proceeding, except that the sales ratio studies shall be admissible as a public record without the laying of a foundation in (1) actions under chapter 278 in the case of property described in section 273.13, subdivisions 6, 6a, 7, 7b, 10 or 12; or (2) actions brought in the small claims division of the tax court.

Sec. 24. Minnesota Statutes 1982, section 287.05, subdivision 1, is amended to read:

Subdivision 1. A tax of 15 cents is (HEREBY) imposed upon each \$100, or fraction thereof, of the principal debt or obligation which is or may be secured by any mortgage of real property (SITUATE) *situated* within the state executed, delivered, and recorded or registered; provided, however, that (SAID) *the* tax shall be imposed but once upon any mortgage and extension thereof. If (ANY SUCH) *the* mortgage describes (ANY) real estate (SITUATE) *situated* outside of this state, (SUCH) *the* tax shall be imposed upon that proportion of the whole debt secured thereby as the value of the real estate therein described (SITUATE) *situated* in this state bears to the value of the whole of the real estate described therein, as (SUCH) *the* value is determined by the commissioner of revenue upon application of the mortgagee. *The tax imposed by this section shall not apply to a contract for the conveyance of real estate or any interest in real estate recorded or registered after January 1, 1984.*

Sec. 25. [507.235] [FILING CONTRACTS FOR DEED.]

Subdivision 1. [FILING REQUIRED.] Each county shall require the filing of all contracts for deed for real estate located partially or entirely within the county. For the purposes of this section, "contract for deed" means a contract for the conveyance of real property located in Minnesota. The county board shall prescribe reasonable time limits, procedures, and fees for the filing.

Subd. 2. [PENALTY FOR FAILURE TO FILE.] If a contract for deed is not filed as required by the county board adopted pursuant to subdivision 1, a penalty is imposed equal to 0.15 percent of the principal amount of the contract debt. Payments of the penalty shall be deposited in the general fund of the county. The penalty shall be a lien against the property and shall have the same priority and be collected in the same manner provided for real property taxes.

Sec. 26. Laws 1981, First Special Session chapter 1, article II, section 25, is amended to read:

Sec. 25. [EFFECTIVE DATE.]

Sections 1, 2, 5 to 15, 20, and 22 are effective for taxes levied in 1981 and thereafter, payable in 1982 and thereafter. (SECTIONS 3 AND 4 ARE) *Section 3 is effective for taxes levied in 1983 and thereafter, payable in 1984 and thereafter. Section 4 is effective for taxes levied in 1985 and thereafter, payable in 1986 and thereafter.* Section 18 is effective the day following final enactment. Section 19 is effective for taxes levied in 1980, payable in 1981. If a claimant filed a property tax refund for prop-

erty taxes payable in 1981 and, if as a result of section 18 the amount of the eligible refund has changed, the claimant may file an amended return pursuant to section 290.391 to obtain any additional refund due. Taxpayers who meet the requirements in section 9 and who notify the assessor prior to September 1, 1981, shall receive homestead classification on the qualifying property for the 1981 assessment to the same extent as other 3c and 3cc property.

Sec. 27. [FARMLAND ASSESSMENT STUDY.]

The committees on taxes shall study the feasibility of assessing farmland on the basis of productivity and net earning capacity.

In conducting the study, the committees shall consider the use of modern soil survey, including surface and subsoil types, and moisture, temperature, soil conservation practices applied by land occupiers, and other conditions affecting the soil. In addition, the committees shall consider data available from the department of revenue, the Minnesota crop and livestock reporting service, post-secondary agricultural institutions, and other appropriate sources. The committees shall also take into account the experiences of other states which have implemented farmland assessment programs based on productivity and net earning capacity.

The committees shall report their findings and recommendations prior to the third week of the 1984 legislative session.

Sec. 28. [REPEALER.]

Minnesota Statutes 1982, sections 273.116; 273.42, subdivision 2; and 273.425 are repealed.

Sec. 29. [EFFECTIVE DATE.]

Sections 1 to 4, 6 to 15, 17 to 22, and 28 are effective for the 1983 assessment and thereafter for taxes payable in 1984 and thereafter. Section 5 is effective for sales occurring on or after July 1, 1983. Section 16 is effective for the 1984 assessment and thereafter. Section 25 is effective for all sales on or after January 1, 1984. Sections 26 and 27 are effective the day after final enactment.

ARTICLE 4

PROPERTY TAX REFUND

Section 1. Minnesota Statutes 1982, section 290A.03, subdivision 6, is amended to read:

Subd. 6. [HOMESTEAD.] "Homestead" means the dwelling occupied by a claimant as (A PLACE) *his principal residence* and so much of the land surrounding it, not exceeding ten acres, as is reasonably necessary for use of the dwelling as a home and any other property used for purposes of a homestead as defined in section 273.13, subdivision 7, except that (THIS) *the acreage* restriction shall not be applicable to agricultural land assessed as part of a homestead pursuant to section 273.13, subdivision 6. The homestead may be owned or rented and may be a part of a multi-dwelling or multi-purpose building and the land on which it is built. A manufactured home, as defined in section 168.011, subdivision 8, assessed as personal property may be a dwelling for purposes of this subdivision.

Sec. 2. Minnesota Statutes 1982, section 290A.03, subdivision 8, is amended to read:

Subd. 8. [CLAIMANT.] "Claimant" means a person, other than a dependent, who filed a claim authorized by sections 290A.01 to 290A.20 and who was domiciled in this state during the calendar year for which the claim for relief was filed. In the case of a claim relating to rent constituting property taxes, the claimant shall have resided in a rented or leased unit on which ad valorem taxes or payments made in lieu of ad valorem taxes, including payments of special assessments imposed in lieu of ad valorem taxes, are payable at some time during the calendar year covered by the claim. "Claimant" shall not include a resident of a nursing home, intermediate care facility, or long term residential facility whose rent constituting property taxes is paid pursuant to the supplemental security income program under Title XVI of the social security act, the Minnesota supplemental aid program under sections 256D.35 to 256D.41, the medical assistance program pursuant to Title XIX of the social security act, or the general assistance medical care program pursuant to section 256D.03, Subdivision 3. If only a portion of the rent constituting property taxes is paid by these programs, the resident shall be a claimant for purposes of this chapter, but the refund calculated pursuant to section 290A.04 shall be multiplied by a fraction, the numerator of which is income as defined in subdivision 3 reduced by the total amount of income from the above sources other than vendor payments under the medical assistance program or the general assistance medical care program and the denominator of which is income as defined in subdivision 3 plus vendor payments under the medical assistance program or the general assistance medical care program, to determine the allowable refund pursuant to this chapter.

Rather than apportion the amount of the allowable refund in the above prescribed manner, if the claimant was a resident of the nursing home, intermediate care facility or long term residential facility for only a portion of the calendar year covered by the claim, that claimant may compute rent constituting property taxes by ignoring the rent constituting property taxes

from the nursing home, intermediate care facility, or long term residential facility and use only that amount of rent or property taxes payable relating to that portion of the year when the claimant was not in one of those institutions. The claimant's household income as defined in subdivision 3, however, must be for the entire calendar year covered by the claim.

In the case of a claim for rent constituting property taxes of a part year *Minnesota* resident, the income and rental reflected in this computation shall be for the period of *Minnesota* residency only. Any rental expenses paid which may be reflected in arriving at federal adjusted gross income cannot be utilized for this computation. When two individuals of a household are able to meet the qualifications for a claimant, they may determine among them as to who the claimant shall be. If they are unable to agree, the matter shall be referred to the commissioner of revenue and his decision shall be final. If a homestead property owner was a part year *Minnesota* resident, the income reflected in the computation made pursuant to section 290A.04 shall be for the entire calendar year, including income not assignable to *Minnesota*.

If a homestead is occupied by two or more renters, who are not husband and wife, the rent shall be deemed to be paid equally by each, and separate claims shall be filed by each. The income of each shall be his household income for purposes of computing the amount of credit to be allowed.

Sec. 3. *Minnesota Statutes 1982, section 290A.03, subdivision 11, is amended to read:*

Subd. 11. [RENT CONSTITUTING PROPERTY TAXES.] "Rent constituting property taxes" means (23 PERCENT OF) the amount of gross rent actually paid in cash, or its equivalent, which is attributable (a) to the property tax paid on the unit or (THAT PORTION OF GROSS RENT WHICH IS) (b) to the amount paid in lieu of property taxes, in any calendar year by a claimant solely for the right of occupancy of his *Minnesota* homestead in the calendar year, and which rent constitutes the basis, in the succeeding calendar year of a claim for relief under sections 290A.01 to 290A.20 by the claimant. The amount of rent attributable to property taxes paid or payments in lieu made on the unit shall be determined by multiplying the net tax on the property where the unit is located by a fraction, the numerator of which is the gross rent paid by the claimant for the calendar year for the unit and the denominator of which is the gross rent paid for the calendar year for the property in which the unit is located.

Sec. 4. *Minnesota Statutes 1982, section 290A.03, subdivision 13, as amended by Laws 1983, chapter 15, section 28, is amended to read:*

Subd. 13. [PROPERTY TAXES PAYABLE.] "Property taxes payable" means the property tax exclusive of special assessments, penalties, and interest payable on a claimant's homestead before reductions made pursuant to section 273.13, subdivisions 6, 7 and 14a, but after deductions made pursuant to sections 124.2137, 273.115, (273.116,) 273.135, 273.139, 273.1391 (, 273.42, SUBDIVISION 2,) and any other state paid property tax credits in any calendar year. No apportionment or reduction of the "property taxes payable" shall be required for the use of a portion of the claimant's homestead for a business purpose if the claimant does not deduct any business depreciation expenses for the use of a portion of the homestead in the determination of federal adjusted gross income. For homesteads which are manufactured homes as defined in section 168.011, subdivision 8, "property taxes payable" shall also include (23 PERCENT) *the amount of the gross rent paid in the preceding year for the site on which the homestead is located, (EXCLUSIVE OF CHARGES FOR UTILITIES OR SERVICES) which is attributable to the net tax paid on the site. The amount attributable to property taxes shall be determined by multiplying the net tax on the parcel by a fraction, the numerator of which is the gross rent paid for the calendar year for the site and the denominator of which is the gross rent paid for the calendar year for the parcel.* When a homestead is owned by two or more persons as joint tenants or tenants in common, such tenants shall determine between them which tenant may claim the property taxes payable on the homestead. If they are unable to agree, the matter shall be referred to the commissioner of revenue and his decision shall be final. Property taxes are considered payable in the year prescribed by law for payment of the taxes.

In the case of a claim relating to "property taxes payable", the claimant must have owned and occupied the homestead on January 2 of the year in which the tax is payable and (i) the property must have been classified as homestead property pursuant to section 273.13, subdivisions 6, 7, or 14a on or before June 1 of the year in which the "property taxes payable" were levied; or (ii) the claimant must provide documentation from the local assessor that application for homestead classification has been made prior to (JULY 1) *October 1* of the year in which the "property taxes payable" were payable and that the assessor has approved the application.

Sec. 5. Minnesota Statutes 1982, section 290A.03, is amended by adding a subdivision to read:

Subd. 14. [NET TAX.] "*Net tax*" means

(a) *the property tax, exclusive of special assessments, interest, and penalties, or*

(b) *the payments made in lieu of ad valorem taxes, including payments of special assessments imposed in lieu of ad*

valorem taxes, for the calendar year in which the rent was paid. If a portion of the property is occupied as a homestead or is used for other than rental purposes, the net tax shall be the amount of tax after reductions pursuant to section 273.13, subdivisions 6, 7, and 14a, reduced by the percentage that the non-rental use comprises of the total square footage of the building. If a portion of the property is used for purposes other than for residential rental and none of the property is occupied as a homestead, the net tax shall be the amount of the tax of the parcel multiplied by a fraction, the numerator of which is the assessed value of the residential rental portion and the denominator of which is the total assessed value of the parcel. If a portion of the property is used for other than rental residential purposes, the county treasurer shall list on the property tax statement the amount of net tax pertaining to the rental residential portion of the property.

The amount of the net tax shall not be reduced by an abatement or a court ordered reduction in the property tax on the property made after the certificate of rent constituting property tax has been provided to the renter.

Sec. 6. Minnesota Statutes 1982, section 290A.04, subdivision 1, is amended to read:

Subdivision 1. A credit shall be allowed each claimant in the amount that property taxes payable or rent constituting property taxes exceed the percentage of the household income of the claimant specified in subdivision 2 in the year for which the taxes were levied or in the year in which the rent was paid. (THE MAXIMUM CREDIT FOR ANY CLAIMANT WHO WAS DISABLED ON OR BEFORE JUNE 1 OR WHO ATTAINED THE AGE OF 65 PRIOR TO JUNE 1 OF THE YEAR FOLLOWING THE YEAR FOR WHICH THE TAXES WERE LEVIED OR IN WHICH THE RENT WAS PAID SHALL BE \$200 ABOVE THE MAXIMUM FOR WHICH THAT CLAIMANT WOULD OTHERWISE BE ELIGIBLE ACCORDING TO HIS INCOME.) *If the amount of property taxes payable or rent constituting property taxes is equal to or less than the percentage of the household income of the claimant specified in subdivision 2 in the year for which the taxes were levied or in the year in which the rent was paid, the claimant shall not be eligible for a state refund pursuant to this section.*

Sec. 7. Minnesota Statutes 1982, section 290A.04, subdivision 2, is amended to read:

Subd. 2. (THE REFUND SHALL BE PAID TO CLAIMANTS WHOSE PROPERTY TAXES PAYABLE EXCEED THE FOLLOWING PERCENTAGES OF THEIR INCOME, UP TO THE DESIGNATED MAXIMUM CREDIT AMOUNTS:)

(FOR CLAIMANTS EARNING:)

(\$0 TO \$2,999, 0.5 PERCENT, UP TO \$650;)

(3,000 TO 3,999, 0.6 PERCENT, UP TO \$650;)

(4,000 TO 4,999, 0.7 PERCENT, UP TO \$650;)

(5,000 TO 5,999, 0.8 PERCENT, UP TO \$650;)

(6,000 TO 6,999, 0.9 PERCENT, UP TO \$650;)

(7,000 TO 7,999, 1.0 PERCENT, UP TO \$650;)

(8,000 TO 8,999, 1.1 PERCENT, UP TO \$650;)

(9,000 TO 9,999, 1.2 PERCENT, UP TO \$650;)

(10,000 to 10,999, 1.3 PERCENT, UP TO \$650;)

(11,000 TO 11,999, 1.4 PERCENT, UP TO \$650;)

(12,000 TO 19,999, 1.5 PERCENT, UP TO \$650;)

(20,000 TO 22,999, 1.6 PERCENT, UP TO \$650;)

(23,000 TO 25,999, 1.8 PERCENT, UP TO \$600;)

(26,000 TO 30,999, 2.0 PERCENT, UP TO \$550;)

(31,000 TO 35,999, 2.2 PERCENT, UP TO \$525;)

(36,000 TO 40,999, 2.4 PERCENT, UP TO \$500;)

(41,000 TO 44,999, 2.6 PERCENT, UP TO \$500;)

(45,000 TO 52,999, 2.8 PERCENT, UP TO \$500;)

(53,000 TO 65,999, 3.0 PERCENT, UP TO \$500;)

(66,000 TO 81,999, 3.2 PERCENT, UP TO \$500;)

(82,000 TO 99,999, 3.5 PERCENT, UP TO \$500;)

(100,000 AND OVER, 4.0 PERCENT, UP TO \$500;)

(PROVIDED THAT MAXIMUM CREDITS FOR INCOMES ABOVE \$20,000 DECLINE ACCORDING TO THE FOLLOWING SCHEDULE:)

(BETWEEN \$20,000 AND \$26,000 DECLINE \$16.67 PER \$1,000; BETWEEN \$26,000 AND \$36,000 DECLINE \$5 PER \$1,000.)

A claimant whose property taxes payable or rent constituting property taxes are in excess of the percentage of the household income stated below shall pay an amount equal to the amount shown for the appropriate household income level and the state refund will be equal to an amount up to the state refund amount shown below.

<i>Household Income</i>	<i>Percent of Income</i>	<i>Claimant Pays</i>	<i>State Refund</i>
<i>Net loss and</i>			
<i>up to \$2,999</i>	<i>0.5 percent</i>	<i>\$13</i>	<i>\$13</i>
<i>3,000 to 3,499</i>	<i>0.6 percent</i>	<i>\$15</i>	<i>\$15</i>
<i>3,500 to 3,999</i>	<i>0.6 percent</i>	<i>\$18</i>	<i>\$18</i>
<i>4,000 to 4,499</i>	<i>0.7 percent</i>	<i>\$20</i>	<i>\$20</i>
<i>4,500 to 4,999</i>	<i>0.7 percent</i>	<i>\$23</i>	<i>\$23</i>
<i>5,000 to 5,999</i>	<i>0.8 percent</i>	<i>\$40</i>	<i>\$40</i>
<i>6,000 to 6,999</i>	<i>0.9 percent</i>	<i>\$54</i>	<i>\$54</i>
<i>7,000 to 7,999</i>	<i>1.0 percent</i>	<i>\$70</i>	<i>\$70</i>
<i>8,000 to 8,999</i>	<i>1.1 percent</i>	<i>\$88</i>	<i>\$88</i>
<i>9,000 to 9,999</i>	<i>1.2 percent</i>	<i>\$108</i>	<i>\$108</i>
<i>10,000 to 10,999</i>	<i>1.3 percent</i>	<i>\$130</i>	<i>\$130</i>
<i>11,000 to 11,999</i>	<i>1.4 percent</i>	<i>\$154</i>	<i>\$154</i>
<i>12,000 to 12,999</i>	<i>1.5 percent</i>	<i>\$180</i>	<i>\$180</i>
<i>13,000 to 13,999</i>	<i>1.5 percent</i>	<i>\$195</i>	<i>\$195</i>
<i>14,000 to 14,999</i>	<i>1.5 percent</i>	<i>\$210</i>	<i>\$210</i>
<i>15,000 to 15,999</i>	<i>1.5 percent</i>	<i>\$225</i>	<i>\$225</i>
<i>16,000 to 16,999</i>	<i>1.5 percent</i>	<i>\$240</i>	<i>\$240</i>
<i>17,000 to 17,999</i>	<i>1.5 percent</i>	<i>\$255</i>	<i>\$255</i>

48th Day]

FRIDAY, MAY 6, 1983

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18,000 to 18,999	1.5 percent	\$270	\$270
19,000 to 19,999	1.5 percent	\$285	\$285
20,000 to 20,999	1.6 percent	\$320	\$320
21,000 to 21,999	1.6 percent	\$336	\$336
22,000 to 22,999	1.6 percent	\$352	\$352
23,000 to 23,999	1.8 percent	\$414	\$414
24,000 to 24,999	1.8 percent	\$432	\$432
25,000 to 25,999	1.8 percent	\$450	\$450
26,000 to 26,999	2.0 percent	\$520	\$520
27,000 to 27,999	2.0 percent	\$540	\$540
28,000 to 28,999	2.0 percent	\$560	\$560
29,000 to 29,999	2.0 percent	\$580	\$580
30,000 to 30,999	2.0 percent	\$600	\$600
31,000 to 31,999	2.2 percent	\$620	\$620
32,000 to 32,999	2.2 percent	\$640	\$646
33,000 to 33,999	2.2 percent	\$726	\$700
34,000 to 34,999	2.2 percent	\$748	\$600
35,000 to 35,999	2.2 percent	\$770	\$500
36,000 to 36,999	2.4 percent	\$792	\$400
37,000 to 37,999	2.4 percent	\$814	\$300
38,000 to 38,999	2.4 percent	\$912	\$200
39,000 to 39,999	2.4 percent	\$936	\$100

The payment made to a claimant shall be the amount of *state* refund calculated pursuant to this subdivision, (BUT NOT EXCEEDING \$850,) less the homestead credit given pursuant to section 273.13, subdivisions 6, 7 and 14a.

Sec. 8. Minnesota Statutes 1982, section 290A.04, subdivision 2a, is amended to read:

Subd. 2a. (AN ADDITIONAL REFUND SHALL BE ALLOWED EACH CLAIMANT WHO WAS NOT DISABLED OR WHO HAD NOT ATTAINED THE AGE OF 65 BY JUNE 1 OF THE YEAR IN WHICH THE TAXES WERE PAYABLE IN AN AMOUNT EQUAL TO 50 PERCENT OF THE AMOUNT BY WHICH PROPERTY TAXES PAYABLE OR RENT CONSTITUTING PROPERTY TAXES EXCEED THE SUM OF (A) THE REFUND CALCULATED PURSUANT TO SUBDIVISION 2 AND (B) THE PERCENTAGE OF THE CLAIMANT'S HOUSEHOLD INCOME SPECIFIED IN SUBDIVISION 2. THE SUM OF THE REFUNDS PROVIDED IN SUBDIVISION 2 AND THIS SUBDIVISION SHALL NOT EXCEED THE MAXIMUM AMOUNTS PROVIDED BELOW:)

(FOR CLAIMANTS EARNING:)

(\$0 to 25,999, UP TO \$1,000;)

(26,000 TO 35,999, UP TO \$850;)

(36,000 and OVER, UP TO \$550;)

(PROVIDED THAT MAXIMUM REFUNDS FOR INCOMES ABOVE \$20,000 DECLINE ACCORDING TO THE FOLLOWING SCHEDULE:)

(BETWEEN \$20,000 AND \$26,000 DECLINE \$25 PER \$1,000; BETWEEN \$26,000 AND \$36,000 DECLINE \$30 PER \$1,000. A CLAIMANT WHO OWNS HIS OWN HOMESTEAD PART OF THE YEAR AND RENTS PART OF THE YEAR MAY ADD HIS RENT CONSTITUTING PROPERTY TAXES TO THE QUALIFYING TAX ON HIS HOMESTEAD AND RECEIVE THE ADDITIONAL REFUND PROVIDED IN SUBDIVISION 2A.)

A claimant whose property taxes payable or rent constituting property taxes are in excess of the sum of the amounts in subdivision 2 paid by the claimant and the state for the specified household income level shall be allowed an additional refund. The amount of the additional refund shall be equal to the remaining amount of the claimant's property taxes payable or rent constituting property taxes less the percentage to be paid by the claimant pursuant to the table below up to the specified maximum state refund. The refund shall be reduced by the homestead credit given pursuant to section 273.13, subdivisions 6, 7, and 14a. The sum of the state refunds provided in subdivision 2 and this subdivision shall not exceed a total of \$1,200.

<i>Household Income</i>	<i>Percent Paid by Claimant</i>	<i>Maximum State Refund</i>
<i>Net loss and up to \$2,999</i>	<i>5 percent</i>	<i>\$1,200</i>
<i>3,000 to 3,499</i>	<i>6 percent</i>	<i>\$1,200</i>
<i>3,500 to 3,999</i>	<i>7 percent</i>	<i>\$1,200</i>
<i>4,000 to 4,499</i>	<i>8 percent</i>	<i>\$1,200</i>
<i>4,500 to 4,999</i>	<i>9 percent</i>	<i>\$1,200</i>
<i>5,000 to 5,999</i>	<i>10 percent</i>	<i>\$1,200</i>
<i>6,000 to 6,999</i>	<i>11 percent</i>	<i>\$1,200</i>
<i>7,000 to 7,999</i>	<i>12 percent</i>	<i>\$1,200</i>
<i>8,000 to 8,999</i>	<i>13 percent</i>	<i>\$1,200</i>
<i>9,000 to 9,999</i>	<i>14 percent</i>	<i>\$1,200</i>
<i>10,000 to 10,999</i>	<i>15 percent</i>	<i>\$1,200</i>
<i>11,000 to 11,999</i>	<i>16 percent</i>	<i>\$1,200</i>
<i>12,000 to 12,999</i>	<i>17 percent</i>	<i>\$1,200</i>
<i>13,000 to 13,999</i>	<i>18 percent</i>	<i>\$1,200</i>
<i>14,000 to 14,999</i>	<i>19 percent</i>	<i>\$1,200</i>
<i>15,000 to 15,999</i>	<i>20 percent</i>	<i>\$1,200</i>
<i>16,000 to 16,999</i>	<i>21 percent</i>	<i>\$1,200</i>
<i>17,000 to 17,999</i>	<i>22 percent</i>	<i>\$1,200</i>
<i>18,000 to 18,999</i>	<i>23 percent</i>	<i>\$1,200</i>
<i>19,000 to 19,999</i>	<i>24 percent</i>	<i>\$1,200</i>
<i>20,000 to 20,999</i>	<i>25 percent</i>	<i>\$1,200</i>
<i>21,000 to 21,999</i>	<i>27 percent</i>	<i>\$1,200</i>

22,000 to 22,999	29 percent	\$1,170
23,000 to 23,999	31 percent	\$1,140
24,000 to 24,999	33 percent	\$1,110
25,000 to 25,999	35 percent	\$1,080
26,000 to 26,999	38 percent	\$1,050
27,000 to 27,999	41 percent	\$1,020
28,000 to 28,999	44 percent	\$990
29,000 to 29,999	47 percent	\$960
30,000 to 30,999	50 percent	\$930
31,000 to 31,999	50 percent	\$900
32,000 to 32,999	50 percent	\$800
33,000 to 33,999	50 percent	\$700
34,000 to 34,999	50 percent	\$600
35,000 to 35,999	50 percent	\$500
36,000 to 36,999	50 percent	\$400
37,000 to 37,999	50 percent	\$300
38,000 to 38,999	50 percent	\$200
39,000 to 39,999	50 percent	\$100
40,000 and over		—0—

No credit or payment will be allowed pursuant to subdivision 2 or 2a if the claimant's household income is \$40,000 or more. This subdivision shall not apply to a claimant who is disabled or has attained the age of 65 by June 1 of the year in which the taxes are payable.

Sec. 9. Minnesota Statutes 1982, section 290A.04, subdivision 2b, is amended to read:

Subd. 2b. An additional refund shall be allowed each claimant who is disabled or has attained the age of 65 by June 1 of the year in which the taxes were payable (IN AN AMOUNT EQUAL TO 50 PERCENT OF THE AMOUNT BY WHICH PROPERTY TAXES PAYABLE OR RENT CONSTITUTING PROPERTY TAXES EXCEED THE SUM OF (A) THE REFUND CALCULATED PURSUANT TO SUBDIVISION 2 AND (B) THE PERCENTAGE OF THE CLAIMANT'S HOUSEHOLD INCOME SPECIFIED IN SUBDIVISION 2. THE SUM OF THE REFUNDS PROVIDED IN SUBDIVISION 2 AND THIS SUBDIVISION SHALL NOT EXCEED THE MAXIMUM AMOUNTS PROVIDED BELOW:)

(FOR CLAIMANTS EARNING:)

(\$0 TO 22,999, UP TO \$1,000;)

(23,000 TO 25,999, UP TO \$975;)

(26,000 TO 35,999, UP TO \$950;)

(36,000 AND OVER, UP TO \$750;)

(PROVIDED THAT MAXIMUM REFUNDS FOR INCOMES ABOVE \$20,000 DECLINE ACCORDING TO THE FOLLOWING SCHEDULE:)

(BETWEEN \$20,000 AND \$26,000 DECLINE \$8.33 PER \$1,000; BETWEEN \$26,000 AND \$36,000 DECLINE \$20 PER \$1,000.)

(IN THE CASE OF A CLAIMANT WHO WAS DISABLED ON OR BEFORE JUNE 1 OR WHO ATTAINED THE AGE OF 65 ON THE DATE SPECIFIED IN SUBDIVISION 1, THE REFUND SHALL NOT BE LESS THAN THE REFUND WHICH THE CLAIMANT'S HOUSEHOLD INCOME AS DEFINED IN SECTION 290A.03 AND PROPERTY TAX OR RENT CONSTITUTING PROPERTY TAX WOULD HAVE ENTITLED HIM TO RECEIVE UNDER MINNESOTA STATUTES 1974, SECTION 290.0618.), *if the claimant's property taxes payable or rent constituting property taxes exceed the total amount in subdivision 2 to be paid by the claimant and by the state for the claimant's household income. The amount of the additional refund shall be equal to the remaining amount of the claimant's property taxes payable or rent constituting property taxes less the percentage to be paid by the claimant pursuant to the table below up to the specified maximum state refund. The refund shall be reduced by the homestead credit given pursuant to section 273.13, subdivisions 6, 7, and 14a. The sum of the state refunds provided in subdivision 2 and this subdivision shall not exceed a total of \$1,200.*

<i>Household Income</i>	<i>Percent Paid by Claimant</i>	<i>Maximum State Refund</i>
<i>Net loss and</i>		
<i>up to \$2,999</i>	<i>5 percent</i>	<i>\$1,200</i>
<i>3,000 to 3,499</i>	<i>5 percent</i>	<i>\$1,200</i>
<i>3,500 to 3,999</i>	<i>5 percent</i>	<i>\$1,200</i>
<i>4,000 to 4,499</i>	<i>5 percent</i>	<i>\$1,200</i>
<i>4,500 to 4,999</i>	<i>5 percent</i>	<i>\$1,200</i>
<i>5,000 to 5,999</i>	<i>5 percent</i>	<i>\$1,200</i>
<i>6,000 to 6,999</i>	<i>6 percent</i>	<i>\$1,200</i>
<i>7,000 to 7,999</i>	<i>6 percent</i>	<i>\$1,200</i>
<i>8,000 to 8,999</i>	<i>7 percent</i>	<i>\$1,200</i>
<i>9,000 to 9,999</i>	<i>7 percent</i>	<i>\$1,200</i>
<i>10,000 to 10,999</i>	<i>8 percent</i>	<i>\$1,200</i>
<i>11,000 to 11,999</i>	<i>8 percent</i>	<i>\$1,200</i>
<i>12,000 to 12,999</i>	<i>9 percent</i>	<i>\$1,200</i>
<i>13,000 to 13,999</i>	<i>9 percent</i>	<i>\$1,200</i>
<i>14,000 to 14,999</i>	<i>10 percent</i>	<i>\$1,200</i>
<i>15,000 to 15,999</i>	<i>10 percent</i>	<i>\$1,200</i>
<i>16,000 to 16,999</i>	<i>11 percent</i>	<i>\$1,200</i>
<i>17,000 to 17,999</i>	<i>11 percent</i>	<i>\$1,200</i>
<i>18,000 to 18,999</i>	<i>12 percent</i>	<i>\$1,200</i>
<i>19,000 to 19,999</i>	<i>12 percent</i>	<i>\$1,200</i>
<i>20,000 to 20,999</i>	<i>13 percent</i>	<i>\$1,200</i>
<i>21,000 to 21,999</i>	<i>15 percent</i>	<i>\$1,200</i>

22,000 to 22,999	18 percent	\$1,170
23,000 to 23,999	21 percent	\$1,140
24,000 to 24,999	24 percent	\$1,110
25,000 to 25,999	27 percent	\$1,080
26,000 to 26,999	30 percent	\$1,050
27,000 to 27,999	35 percent	\$1,020
28,000 to 28,999	40 percent	\$ 990
29,000 to 29,999	45 percent	\$ 960
30,000 to 30,999	50 percent	\$ 930
31,000 to 31,999	50 percent	\$ 900
32,000 to 32,999	50 percent	\$ 800
33,000 to 33,999	50 percent	\$ 700
34,000 to 34,999	50 percent	\$ 600
35,000 to 35,999	50 percent	\$ 500
36,000 to 36,999	50 percent	\$ 400
37,000 to 37,999	50 percent	\$ 300
38,000 to 38,999	50 percent	\$ 200
39,000 to 39,999	50 percent	\$ 100
40,000 and over		—0—

No credit or payment will be allowed pursuant to subdivision 2 or 2b if the claimant's household income is \$40,000 or more.

Sec. 10. Minnesota Statutes 1982, section 290A.04, subdivision 3, is amended to read:

Subd. 3. The commissioner of revenue shall construct and make available to taxpayers a comprehensive table showing the property taxes to be paid and credit allowed at various levels of income and assessment. The table shall follow the schedule of income percentages, maximums and other provisions specified

in subdivisions 2, 2a, and 2b, except that the commissioner may graduate the transition between income brackets.

(FOR HOMESTEAD PROPERTY OWNERS WHO ARE DISABLED OR ARE 65 OR OLDER, AS PROVIDED IN SUBDIVISION 1, THE COMMISSIONER SHALL BASE HIS DETERMINATION OF THE CREDIT ON THE GROSS QUALIFYING TAX REDUCED BY THE AVERAGE STATEWIDE EFFECTIVE HOMESTEAD CREDIT PERCENTAGE FOR TAXES PAYABLE IN 1975 CALCULATED UNDER SECTION 273.13, SUBDIVISIONS 6 AND 7.)

Sec. 11. Minnesota Statutes 1982, section 290A.07, subdivision 2a, is amended to read:

Subd. 2a. A claimant (WHO IS A RENTER) shall receive full payment *after August 31 and* prior to (AUGUST) *September 15* or 60 days after receipt of the application, whichever is later. Interest shall be added at six percent per annum from (AUGUST) *September 15* or 60 days after receipt of the application whichever is later.

Sec. 12. Minnesota Statutes 1982, section 290A.18, is amended to read:

290A.18 [RIGHT TO FILE CLAIM.]

If a person entitled to relief under sections 290A.01 to 290A.23 dies prior to receiving relief, the surviving spouse (,) or dependent (OR PERSONAL REPRESENTATIVE) of the person shall be entitled to file the claim and receive relief. *If there is no surviving spouse or dependent, the right to the credit shall lapse.*

Sec. 13. Minnesota Statutes 1982, section 290A.19, is amended to read:

290A.19 [OWNER OR MANAGING AGENT TO FURNISH RENT CERTIFICATE; PENALTY.]

(a) The owner or managing agent of any property for which rent is paid for occupancy as a homestead shall furnish a certificate of rent (PAID) *constituting property tax* to each person who is a renter on December 31, in the form prescribed by the commissioner. If the renter moves prior to December 31, the owner or managing agent shall at his option either provide the certificate to the renter at the time he moves, or mail the certificate to the forwarding address if an address has been provided by the renter. The certificate shall be made available to the renter not later than January 31 of the year following the year in which the rent was paid. Any owner or managing agent who willfully fails to furnish a certificate as provided herein

shall be liable to the commissioner for a penalty of \$20 for each act or failure to act. The penalty shall be assessed and collected in the manner provided in chapter 290 for the assessment and collection of income tax.

(b) *If the owner or managing agent elects to provide the renter with the certificate at the time he moves, rather than after December 31, the amount of rent constituting property taxes shall be computed as follows:*

(i) *The net tax shall be reduced by 1/12th for each month remaining in the calendar year.*

(ii) *In calculating the denominator of the fraction pursuant to section 290A.03, subdivision 11, the gross rent paid through the last month of claimant's occupancy shall be substituted for "the gross rent paid for the calendar year for the property in which the unit is located."*

(c) *The certificate of rent constituting property taxes shall include the address of the property, including the county, and the property tax parcel identification number and any additional information which the commissioner determines is appropriate.*

(d) *If the owner or managing agent fails to provide the renter with a certificate of rent constituting property taxes, the commissioner shall allocate the net tax on the building to the unit on a square footage basis or other appropriate basis as the commissioner determines. The renter shall supply the commissioner with a statement from the county treasurer which gives the amount of property tax on the parcel, the address and property tax parcel identification number of the property, and the number of units in the building.*

Sec. 14. [REPEALER.]

Minnesota Statutes 1982, section 290A.07, subdivision 3, is repealed.

Sec. 15. [EFFECTIVE DATE.]

This article is effective for claims based on rent paid during calendar year 1983 and thereafter and property taxes payable in 1984 and thereafter, except that the date change in section 4 shall be effective beginning for claims based on rent paid during calendar year 1982.

ARTICLE 5

LEVY LIMITS

Section 1. Minnesota Statutes 1982, section 275.50, subdivision 2, is amended to read:

Subd. 2. [GOVERNMENTAL SUBDIVISION.] "Governmental subdivision" means (A) *any county, or those home rule charter (CITY) cities, statutory (CITY, TOWN OR SPECIAL TAXING DISTRICT DETERMINED BY THE DEPARTMENT OF REVENUE, EXCEPT A TOWN) cities, or towns that (HAS) have a population of (LESS THAN) 5,000 or more according to the most recent federal census, provided that the population of an incorporated municipality located within the boundaries of a town is not included in the population of the town. (THE TERM DOES NOT INCLUDE SCHOOL DISTRICTS OR THE METROPOLITAN TRANSIT COMMISSION CREATED PURSUANT TO SECTION 473.404.)*

Sec. 2. Minnesota Statutes 1982, section 275.50, is amended by adding a subdivision to read:

Subd. 8. [IMPLICIT PRICE DEFLATOR.] "*Implicit price deflator*" means the implicit price deflator for government purchases of goods and services for state and local government prepared by the bureau of economic analysis of the United States department of commerce.

Sec. 3. Minnesota Statutes 1982, section 275.50, is amended by adding a subdivision to read:

Subd. 9. [LEVY FOR MINNESOTA COOPERATIVE SOIL SURVEY.] *Effective for the levy made in 1983 and thereafter, payable in 1984 and thereafter, the estimated cost in the following calendar year to the county government for the county's share of funding the Minnesota Cooperative Soil Survey is a "special levy" and is not subject to tax levy limitations including those contained in sections 275.50 to 275.56.*

Sec. 4. Minnesota Statutes 1982, section 275.51, is amended by adding a subdivision to read:

Subd. 3f. [LEVY LIMIT BASE.] *A governmental subdivision's levy limit base for the taxes payable year 1984 is established by adding together:*

(a) *the subdivision's levy limitation for the taxes payable year 1983, calculated pursuant to Minnesota Statutes 1982, section 275.51, subdivision 3e;*

(b) *the local government aid that it was certified to receive for calendar year 1983 pursuant to sections 477A.011 to 477A.03;*

(c) *the amount of any aids it received in 1983 pursuant to Minnesota Statutes 1982, sections 273.138 and 273.139;*

(d) any amount levied as a special assessment to cover the costs of municipal operation and maintenance activities for the taxes payable year 1983; and

(e) the amount of any base adjustment authorized by the commissioner of revenue pursuant to subdivision 3g.

For the taxes payable year 1985 and subsequent years, a governmental subdivision's levy limit base is equal to its adjusted levy limit base for the preceding year.

Sec. 5. Minnesota Statutes 1982, section 275.51, is amended by adding a subdivision to read:

Subd. 3g. [BASE ADJUSTMENTS.] Any governmental subdivision which reduced any of its unreserved, undesignated fund balances because of spending for nonspecial levy purposes in calendar year 1981 may apply to the commissioner of revenue to have its levy limit base increased for the taxes payable year 1984 by no more than the amount of the reduction in the fund balances.

Applications shall be in the form and accompanied by the data required by the commissioner. If approved by the commissioner, the subdivision may then pass a resolution stating the amount by which the levy limit base is proposed to be increased. Thereafter, the resolution shall be published for two successive weeks in the official newspaper of the governmental subdivision or if there is no official newspaper, in a newspaper of general circulation in the governmental subdivision, together with a notice fixing a date for a public hearing on the proposed increase. The hearing shall be held not less than two weeks nor more than four weeks after the first publication of the resolution. Following the public hearing, the governing body may determine to take no further action or, in the alternative, adopt a resolution authorizing the increase as originally proposed or approving an increase in the lesser amount it determines. The resolution authorizing an increase shall be published in the official newspaper of the governmental subdivision or if there is no official newspaper, in a newspaper of general circulation in the governmental subdivision. If within 30 days thereafter a petition signed by voters equal in number to five percent of the votes cast in the governmental subdivision in the last general election or 2,000 voters, whichever is less, requesting a referendum on the proposed resolution is filed with the clerk or recorder of the governmental subdivision if the governmental subdivision is a city or town, or with the county auditor if the governmental subdivision is a county, the resolution shall not be effective until it has been submitted to the voters at a general or special election and a majority of votes cast on the question of approving the resolution are in the affirmative. The commissioner of revenue shall prepare a suggested form of question to be presented at the referendum. The

referendum must be held at a special or general election prior to October 1, 1983.

Sec. 6. Minnesota Statutes 1982, section 275.51, is amended by adding a subdivision to read:

Subd. 3h. [ADJUSTED LEVY LIMIT BASE.] For any taxes payable year, the adjusted levy limit base is equal to the levy limit base computed pursuant to subdivision 3f, increased by:

(a) a percentage equal to the forecasted percentage growth in the implicit price deflator during the taxes payable year, as determined by the commissioner of revenue, or six percent, whichever is greater;

(b) a percentage equal to the greater of the percentage increases in population or in number of households, if any, for the most recent 12 month period for which data is available, using figures derived pursuant to section 275.53, subdivision 1b;

(c) one-half of the amount levied as a special levy in the previous year for paying the costs of municipal services provided to new private industrial and nonresidential commercial development pursuant to section 275.50, subdivision 5, clause (m), provided that the special levy is discontinued; and

(d) the amount of any permanent increase in the levy limit base approved at a general or special election held during the 12-month period ending September 30 of the levy year, pursuant to section 275.58, subdivisions 1 and 2.

Sec. 7. Minnesota Statutes 1982, section 275.51, is amended by adding a subdivision to read:

Subd. 3i. [LEVY LIMITATION.] The levy limitation for governmental subdivision shall be equal to the adjusted levy limit base determined pursuant to subdivision 3h, reduced by the total amount of local government aid that the municipality has been certified to receive in the taxes payable year pursuant to sections 477A.011 to 477A.014. The resulting figure is the maximum amount that the municipality may levy for the taxes payable year for all purposes except special levies and special assessments.

Sec. 8. Minnesota Statutes 1982, section 275.53, is amended by adding a subdivision to read:

Subd. 1b. [POPULATION AND HOUSEHOLD ESTIMATES.] For the purpose of determining the amount of tax that a governmental subdivision may levy in accordance with limitation established by this chapter, the population or the number of households of the governmental subdivision shall be that

established by the last federal census, by a census taken pursuant to section 275.14, or by an estimate made by the metropolitan council, or by the state demographer made pursuant to section 116J.42, subdivision 7, whichever is the most recent as to the stated date of count or estimate, up to and including July 1 of the current levy year.

Sec. 9. [REPEALER.]

Minnesota Statutes 1982, section 275.51, subdivisions 3e and 5, are repealed.

Sec. 10. [EFFECTIVE DATE.]

This article is effective for taxes levied in 1983, payable in 1984, and thereafter.

ARTICLE 6

ECONOMIC DEVELOPMENT

Section 1. Minnesota Statutes 1982, section 273.13, subdivision 9, is amended to read:

Subd. 9. [CLASS 4A, 4B, 4C, AND 4D.] (1) All property not included in the preceding classes shall constitute class 4a and shall be valued and assessed at 43 percent of the market value thereof, except as otherwise provided in this subdivision.

(2) Real property which is not improved with a structure and which is not utilized as part of a commercial or industrial activity shall constitute class 4b and shall be valued and assessed at 40 percent of market value.

(3) Commercial and industrial property, except as provided in this subdivision, shall constitute class 4c and shall be valued and assessed at 40 percent of the first \$50,000 of market value and 43 percent of the remainder, provided that in the case of state-assessed commercial or industrial property owned by one person or entity, only one parcel shall qualify for the 40 percent assessment, and in the case of other commercial or industrial property owned by one person or entity, only one parcel in each county shall qualify for the 40 percent assessment.

(4) (INDUSTRIAL) Employment property defined in section 273.1313, during the period provided in section 273.1313, shall constitute class 4d and shall be valued and assessed at 20 percent of the first \$50,000 of market value and 21.5 percent of the remainder, *except that employment property located in an enterprise zone designated pursuant to section 273.1312, subdivision 4, clause (3)(c), shall be valued and assessed at 31 percent for the first \$50,000 and 38.5 percent of the remainder.*

Sec. 2. Minnesota Statutes 1982, section 273.1312, subdivision 2, is amended to read:

Subd. 2. [DESIGNATION.] The commissioner shall designate an area as an enterprise zone if (i) an application is made in the form and manner and containing the information as prescribed by the (COMMISSIONER'S RULES) commissioner; (ii) the application is made (OR APPROVED) by the governing body of the area; (AND) (iii) the area is determined by the commissioner to be eligible for designation under subdivision 4; and (iv) the zone is selected pursuant to the process provided by section 10.

Sec. 3. Minnesota Statutes 1982, section 273.1312, subdivision 3, is amended to read:

Subd. 3. [DURATION.] The designation of an area as an enterprise zone shall be effective (FROM) for seven years after the date of designation (TO 12 YEARS THEREAFTER).

Sec. 4. Minnesota Statutes 1982, section 273.1312, subdivision 4, is amended to read:

Subd. 4. [ELIGIBILITY REQUIREMENTS.] An area is eligible for designation if:

(1) Its boundary is continuous and includes (, IF FEASIBLE, PROXIMATELY LOCATED) vacant or underutilized lands or buildings (CONVENIENTLY ACCESSIBLE TO RESIDENTS OF THE AREA).

(2) (ITS POPULATION AS DETERMINED UNDER THE MOST RECENT FEDERAL DECENNIAL CENSUS IS AT LEAST (I) 4,000 IF ANY OF THE AREA IS LOCATED WITHIN AN SMSA WITH A POPULATION OF 50,000 OR MORE, OR (II) 2,500 IN ANY OTHER CASE UNLESS THE AREA IS AN INDIAN RESERVATION, FOR WHICH NO MINIMUM POPULATION IS REQUIRED.) *The area of the zone is less than 400 acres and the total market value of the taxable property contained in the zone at the time of application is less than \$100,000 per acre, except that these restrictions shall not apply to areas designated pursuant to clauses (3)(b) or (3)(c).*

(3) (a) The proposed zone is located within an economic hardship area, as established by meeting (THREE) two or more of the following criteria:

(1) the (PERCENTAGE) number of (TOTAL) residential housing units within the (ZONE) area which (WAS CONSTRUCTED PRIOR TO 1950 IS 70) are substandard is 15

percent or greater under criteria prescribed by the commissioner using data collected by the bureau of the census;

(2) the percentage of households within the (ZONE) area that fall below the poverty level, as determined by the United States census bureau, is 20 percent or greater;

(3) (i) the total (NUMBER OF PERSONS RESIDING WITHIN THE ZONE HAS DECLINED BY TEN PERCENT OR MORE OVER THE TEN YEARS PRECEDING APPLICATION) market value of commercial and industrial property in the area has declined over three of the preceding five years, or (ii) the total market value of all property in the area, as equalized by the sales ratio study, has declined or its growth has lagged three percentage points behind the statewide growth in total equalized market value in the state over the preceding three year period;

(4) for the last full year for which data is available, the (PERCENTAGE OF THE WORK FORCE OF THE JURISDICTION OF THE GOVERNING BODY OF THE AREA IN WHICH THE ZONE IS LOCATED ENGAGED IN MANUFACTURING IS LESS THAN THE PERCENTAGE OF THE WORK FORCE OF THE STATE ENGAGED IN MANUFACTURING) nonfarm per capita income in the area was 90 percent or less of the median for the state, excluding standard metropolitan statistical areas, or for the standard metropolitan statistical area if the area is located in a standard metropolitan statistical area;

(5) (THE JURISDICTION OF THE GOVERNING BODY OF THE AREA IN WHICH THE ZONE IS LOCATED HAS RECENTLY EXPERIENCED A SIGNIFICANT EMPLOYMENT REDUCTION AT A FEDERAL MILITARY INSTALLATION WITHIN THE SMSA IN WHICH IT IS LOCATED) (i) the current rate of unemployment in the area is 120 percent of the statewide average unemployment for the previous year, or (ii) the total number of employment positions has declined by ten percent during the last 18 months; or

(b) The area is so designated under federal legislation providing for federal tax benefits to investors, employers or employees in enterprise zones (SIMILAR TO THE STATE TAX BENEFITS SET FORTH IN LAWS 1982, CHAPTER 523; AND)

((4) THE GOVERNING BODY OF THE AREA SEEKING TO BE DESIGNATED AS AN ENTERPRISE ZONE, BY RESOLUTION, AGREES TO FOLLOW A COURSE OF ACTION, DURING THE PERIOD FOR WHICH THE DESIGNATION IS EFFECTIVE, DESIGNED TO PROMOTE ECONOMIC DEVELOPMENT IN THE AREA. THE PROGRAM MAY BE IMPLEMENTED BY GOVERNMENTAL ACTION,

BY PRIVATE ENTITIES, OR BOTH, AND MAY INCLUDE BUT IS NOT LIMITED TO:)

((A) REDUCTION OR ABATEMENT OF REAL PROPERTY TAXES OF INDUSTRIAL LAND AND FACILITIES ACCORDING TO SECTION 273.1313;)

((B) ISSUANCE OF REVENUE BONDS OR USE OF FEDERAL FUNDS AVAILABLE TO FINANCE LOANS FOR PRIVATE INDUSTRIAL AND HOUSING FACILITIES;)

((C) ISSUANCE OF BONDS AND USE OF TAXES, TAX INCREMENTS, AND AVAILABLE FEDERAL FUNDS TO FINANCE PUBLIC FACILITIES IN THE AREA;)

((D) INCREASE IN THE LEVEL OR EFFICIENCY OF GOVERNMENTAL SERVICES;)

((E) COMMITMENTS FROM PUBLIC OR PRIVATE ENTITIES IN THE AREA TO PROVIDE JOBS, JOB TRAINING, AND TECHNICAL, FINANCIAL, OR OTHER ASSISTANCE TO EMPLOYEES AND RESIDENTS OF THE AREA); or

(c) The area consists of a statutory or home rule charter city with a contiguous border with a city in another state or with a contiguous border with a city in Minnesota which has a contiguous border with a city in another state and the area is determined by the commissioner to be economically or fiscally distressed.

For purposes of this subdivision, an economic hardship area shall have a population under the most recent federal decennial census of at least (i) 4,000 if any of the area is located wholly or partly within a standard metropolitan statistical area, or (ii) 2,500 for an area located outside of a standard metropolitan statistical area, or (iii) no minimum in the case of an area located in an Indian reservation.

Sec. 5. Minnesota Statutes 1982, section 273.1312, subdivision 5, is amended to read:

Subd. 5. [LIMITATION.] No area shall be designated as an enterprise zone after December 31, (1996) 1985.

Sec. 6. Minnesota Statutes 1982, section 273.1313, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] (1) Terms used in this section have the meanings given them in this subdivision.

(2) "Commissioner" means the commissioner of revenue.

(3) “(INDUSTRIAL) Employment property” means taxable property, excluding land but including buildings, structures, fixtures, and improvements that satisfy each of the following conditions:

(a) The property is located within an enterprise zone designated according to section 273.1312.

(b) The (PRIMARY PURPOSE AND PROSPECTIVE USE OF THE) property is ((I) THE MANUFACTURE OR PROCESSING OF GOODS OR MATERIALS BY PHYSICAL OR CHEMICAL CHANGE, OR (II) THE PROVISION OF OFFICE, ENGINEERING, RESEARCH AND DEVELOPMENT, WAREHOUSING, PARTS DISTRIBUTION, OR OTHER FACILITIES THAT ARE RELATED TO A MANUFACTURING OR PROCESSING OPERATION CONDUCTED BY THE USER) *commercial or industrial property and is used in a trade or business which would qualify for tax reductions under section 10, subdivision 9.*

((C) THE USER WILL OWN THE PROPERTY OR OCCUPY IT UNDER A LEASE REQUIRING THE USER TO PAY PROPERTY TAXES ON IT AS IF THE USER WERE THE OWNER.)

((D) THE PROPERTY IS CLASSIFIED AS INDUSTRIAL EMPLOYMENT PROPERTY BY THE PROCEDURE AND SUBJECT TO THE CONDITIONS PROVIDED IN THIS SECTION, BEFORE IT IS FIRST PLACED IN USE.)

(4) “Market value” (, AS APPLIED TO INDUSTRIAL) *of a parcel of employment property (ON ANY PARTICULAR PARCEL OF LAND,) means the value of (ALL) the taxable property (SITUATED THERE EXCEPT THE LAND,) as annually determined pursuant to section 273.12, less (i) the market value of all property existing at the time of application for classification, as last assessed prior to the time of application, and (ii) any increase in the market value of the property referred to in clause (i) as assessed in each year after the (INDUSTRIAL) employment property is first placed in service. In each year, any change in the values of the (INDUSTRIAL) employment property and the other property on the land shall be deemed to be proportionate unless caused by a capital improvement or loss.*

(5) “Municipality” means any home rule charter or statutory city or county, but a county may not exercise the powers granted in this section with reference to property situated within a city.

(6) *Notwithstanding the provisions of paragraphs (3) and (4), “employment property” and “market value” includes in the*

case of taxable real property located in an enterprise zone designated under section 273.1312, subdivision 4, clause (3)(c), the entire value of the commercial and industrial property used in a trade or business which would qualify for tax reductions under section 10, subdivision 9.

Sec. 7. Minnesota Statutes 1982, section 273.1313, subdivision 2, is amended to read:

Subd. 2. [PROGRAM.] (1) The governing body of any municipality which contains a designated enterprise zone as provided by section 273.1312 (MAY) shall by resolution establish a program for classification of new (INDUSTRIAL) property or improvements to existing property as (INDUSTRIAL) employment property pursuant to the provisions of this section (, IF IT FINDS THAT THE PROGRAM IS NEEDED TO FACILITATE AND ENCOURAGE THE RENEWAL OR ADDITION OF INDUSTRIAL FACILITIES TO PROVIDE OR PRESERVE EMPLOYMENT OPPORTUNITIES FOR ITS CITIZENS). Applications for classification under the program shall be filed with the municipal clerk or auditor in a form prescribed by the commissioner, with additions as may be prescribed by the municipal governing body. The application shall contain, *where appropriate*, a legal description of the parcel of land on which the facility is to be situated or improved; a general description of the facility or improvement and its proposed use, (THE EQUIPMENT PROPOSED TO BE USED IN CONNECTION WITH IT (INCLUDING EQUIPMENT EXEMPT FROM TAXATION UNDER EXISTING LAW),) the probable time schedule for undertaking the construction or improvement, and information regarding the matters referred to in paragraph (4); the market value and the assessed value of the land and of all other taxable property then situated on it, according to the most recent assessment; and an estimate of the probable cost of the new construction or improvement and the market value of the new or improved facility (excluding land) when completed.

(2) Upon receipt of an application the municipal clerk or auditor, subject to any prior approval required by the resolution establishing the program, shall furnish a copy to the assessor for the property and to the governing body of each school district and other public body authorized to levy taxes on the property, and shall publish a notice in the official newspaper of the time and place of a hearing to be held by the governing body on the application, not less than 30 days after the notice is published, stating that the applicant, the assessor, representatives of the affected taxing authorities, and any taxpayer of the municipality may be heard or may present their views in writing at or before the hearing. The hearing may be adjourned from time to time, but the governing body shall take action on the application by resolution within 30 days after the hearing. If disapproved, the reasons shall be set forth in the resolution, and the applicant may appeal to the commissioner within 30 days thereafter, but only

on the ground that the determination is arbitrary, in relation to prior determinations as to classification under the program, or based upon a mistake of law. If approved, the resolution shall include determinations as to the matters set forth in paragraph (4), and the clerk or auditor shall transmit it to the commissioner.

(3) Within 60 days after receipt of an approved application or an appeal from the disapproval of an application, the commissioner shall take action on it. The commissioner shall approve each application approved by the governing body if he finds that it complies with the provisions of this section. If he disapproves the application, or finds grounds exist for appeal of a disapproved application, he shall transmit the finding to the governing body and the applicant. When grounds for appeal have been determined to exist, the governing body shall reconsider and take further action on the application within 30 days after receipt of the commissioner's notice and serve written notice of the action upon the applicant. The applicant, within 30 days after receipt of notice of final disapproval by the commissioner or the governing body, may appeal from the disapproval to a court of competent jurisdiction.

(4) *In the case of enterprise zones qualifying pursuant to section 273.1312, subdivision 4, clause (3)(a), an application shall not be approved unless the governing body finds and determines that the construction or improvement of the facility:*

(a) Is reasonably likely to create new employment or prevent a loss of employment in the municipality;

(b) Is not likely to have the effect of transferring existing employment from one or more other municipalities within the state;

(c) Is not likely to cause the total market value of (INDUSTRIAL) employment property within the municipality to exceed five percent of the total market value of all taxable property within the municipality; or if it will, the resulting limitation upon the increase of the assessed value of all taxable property within the municipality, considering the amount of additional municipal services likely to be required for the (INDUSTRIAL) employment property, is not likely to substantially impede the operation or the financial integrity of the municipality or any other public body levying taxes on property in the municipality; and

(d) Will not result in the reduction of the assessed value of existing property within the municipality owned by the applicant, through abandonment, demolition, or otherwise, without provision for the restoration of the existing property within

a reasonable time in a manner sufficient to restore the assessed valuation.

Sec. 8. Minnesota Statutes 1982, section 273.1313, subdivision 3, is amended to read:

Subd. 3. [CLASSIFICATION.] Property shall be classified as (INDUSTRIAL) employment property and assessed as provided for class 4d property in section 273.13, subdivision 9, clause (4), for taxes levied in the year in which the classification is approved and (IN EACH YEAR THEREAFTER TO AND INCLUDING THE 12TH YEAR AFTER THE INDUSTRIAL EMPLOYMENT PROPERTY IS COMPLETED) *for the four succeeding years after the approval.* If the classification is revoked, the revocation is effective for taxes levied in the next year after revocation.

Sec. 9. Minnesota Statutes 1982, section 273.1313, subdivision 5, is amended to read:

Subd. 5. [HEARING.] Upon receipt of the request, the commissioner shall notify the applicant and the governing body (BY CERTIFIED MAIL) of a time and place (, NOT LESS THAN 30 DAYS AFTER RECEIPT,) at which the applicant may be heard (AND). *The hearing shall be held within 30 days after receipt of the request. Within 30 days after the hearing,* the commissioner (WILL) *shall* determine whether the facts and circumstances are grounds for revocation as recommended by the governing body. If the commissioner revokes the classification, the applicant may appeal from the commissioner's order to a court of competent jurisdiction at any time within 30 days after revocation.

Sec. 10. [273.1314] [SELECTION OF ENTERPRISE ZONES.]

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

(a) "City" means a statutory or home rule charter city.

(b) "Commissioner" means the commissioner of energy, planning, and development or its successor agency.

(c) "Legislative advisory commission" means the legislative advisory commission established under section 3.30.

(d) "Municipality" means a city or a county for an area located outside the boundaries of a city. If an area lies in two or more cities or in both incorporated and unincorporated areas, municipality shall include an entity formed pursuant to section 471.59 by the governing bodies of the cities with jurisdiction

over the incorporated area and the counties with jurisdiction over the unincorporated area.

Subd. 2. [SUBMISSION OF APPLICATIONS.] On or before July 31, a municipality seeking designation of an area as an enterprise zone shall submit an application to the commissioner. The commissioner shall establish procedures and forms for the submission of applications for enterprise zone designation.

Subd. 3. [APPLICATIONS; CONTENTS.] The applications for designation as an enterprise zone shall contain, at a minimum:

(a) verification that the area is eligible for designation pursuant to section 273.1312;

(b) a development plan, outlining the types of investment and development within the zone that the municipality expects to take place if the incentives and tax reductions specified under clauses (d) and (e) are provided, including specific investment or development reasonably expected to take place and any commitments obtained from businesses;

(c) the municipality's proposed method of assessing the effectiveness of the development plan once it has been implemented;

(d) the specific form of tax reductions, authorized by subdivision 9, proposed to be granted to businesses making new investment in the zones, the duration of the tax reductions, an estimate of the total state taxes likely to be foregone as a result, and a statement of the relationship between the proposed tax reductions and the type of investment or development sought or expected to be attracted to the area if it is designated as a zone;

(e) the municipality's contribution to the zone as required by subdivision 6;

(f) any additional information required by the commissioner; and

(g) any additional information which the municipality considers relevant to the designation of the area as an enterprise zone.

Clause (b) shall not apply to an application for designation under section 273.1312, subdivision 4, clause (3)(c).

Subd. 4. [EVALUATION OF APPLICATIONS.] The commissioner shall review and evaluate the applications submitted pursuant to subdivision 3 and shall determine whether each

area is eligible for designation as an enterprise zone. In determining whether an area is eligible under section 273.1312, subdivision 4, clause (3), if unemployment, employment, income or other necessary data are not available for the area from the federal departments of labor or commerce or the state demographer, the commissioner may rely upon other data submitted by the municipality if he determines it is statistically reliable or accurate. The commissioner, in conjunction with the commissioner of revenue, shall prepare an estimate of the amount of state tax revenue which will be foregone for each application if the area is designated as a zone.

On or before September 1, the commissioner shall submit to the legislative advisory commission a list of the areas eligible for designation as enterprise zones, along with his recommendations for designation and supporting documentation. In making his recommendations for designation, the commissioner shall consider and evaluate the applications pursuant to the following criteria:

(a) the pervasiveness of poverty, unemployment, and general distress in the area;

(b) the extent of chronic abandonment, deterioration or reduction in value of commercial, industrial or residential structures in the area and the extent of property tax arrearages in the area;

(c) the prospects for new investment and economic development in the area with the tax reductions proposed in the application relative to the state and local tax revenue which would be foregone;

(d) the competing needs of other areas of the state;

(e) the municipality's proposed use of other state and federal development funds or programs to increase the probability of new investment and development occurring;

(f) the extent to which the proposed development will provide employment for individuals located within the economic hardship area;

(g) the funds available pursuant to subdivision 8; and

(h) other relevant factors which he specifies in his recommendations.

The commissioner shall submit a separate list of the areas entitled to designation as enterprise zones under section 273.1312, subdivision 4, clauses (3)(b) and (3)(c), along with his recommendations for the amount of funds to be allocated to each area.

Subd. 5. [LAC RECOMMENDATIONS.] On or before September 15, the legislative advisory commission shall submit to the commissioner its advisory recommendations regarding the designation of enterprise zones. By September 30 the commissioner shall make the final designation of the areas as enterprise zones, pursuant to section 273.1312, subdivision 2. In making the designation, the commissioner may make modifications in the design of or limitations on the tax reductions contained in the application necessary because of the funding limitations under subdivision 8.

Subd. 6. [LOCAL CONTRIBUTION.] No area shall be designated as an enterprise zone unless the municipality agrees to make a qualifying local contribution in the form of (i) a property tax reduction for employment property as provided by section 273.1313 for any business qualifying for a state tax reduction pursuant to this section, or (ii) an equivalent local contribution or investment out of other municipal funds, but excluding any special federal grants or loans. If the local contribution is to be used to fund additional reductions in state taxes, the commissioner and the governing body of the municipality shall enter an agreement for timely payment to the state to reimburse the state for the amount of tax revenue foregone as a result.

Subd. 7. [LIMITATIONS; NUMBER OF DESIGNATIONS.] (a) In each of the two calendar years following and including the effective date of this section, the commissioner shall designate at least three but not more than six areas as enterprise zones. No designations shall be made after December 31, 1984.

(b) No more than one area may be designated as an enterprise zone in any county, except that two areas may be designated in a county containing a city of the first class.

(c) No more than one area in a congressional district may be designated as an enterprise zone in any calendar year.

This subdivision shall not apply to enterprise zones designated pursuant to section 273.1312, subdivision 4, clauses (3)(b) or (3)(c).

Subd. 8. [FUNDING LIMITATIONS.] (a) \$ _____ is appropriated to the commissioner of revenue from the general fund for the purpose of funding the tax reductions authorized pursuant to designations of enterprise zones under section 273.1312 and this section. \$10,000,000 of the total appropriation is the maximum amount which may be authorized by the commissioner for tax reductions pursuant to subdivision 9 that will reduce tax revenues which otherwise would have been received during fiscal years 1984 and 1985. The commissioner shall allocate to enterprise zones designated under section 273.1312, subdivision 4, clause (3)(c), an amount not less than 80 percent

of the total appropriation multiplied by a fraction, the numerator of which is the number of zones designated under section 273-1312, subdivision 4, clause (3)(c), and the denominator of which is the maximum number of enterprise zones which may be designated for the year including those designated under clause (3)(c) during any year and the funds shall be allocated among (3)(c) zones on a per capita basis. Upon designation of an enterprise zone the commissioner shall certify the total amount available for tax reductions in the zone for its duration. The amount certified shall reduce the amount available for tax reductions in other enterprise zones. If subsequent estimates indicate or actual experience shows that the approved tax reductions will result in amounts of tax reductions in excess of the amount certified, the commissioner shall implement a plan to reduce the available tax reductions in the zone to an amount within the sum certified. If subsequent estimates indicate or actual experience shows that the approved tax reductions will result in amounts of tax reductions below the amount certified, the difference shall be available for certification in other zones or used in connection with an amended plan of tax reductions for the zone as the commissioner determines appropriate. If the tax reductions authorized result in reduced revenues for a dedicated fund, the commissioner of finance shall transfer equivalent amounts to the dedicated fund from the general fund as necessary.

(b) The appropriation pursuant to paragraph (a) shall not cancel. The commissioner of finance shall reduce the amount of the appropriation based upon information supplied by the commissioner of revenue that the tax reductions authorized for enterprise zones have or are estimated to have resulted in reduced state tax collections.

Subd. 9. [AUTHORIZED FORMS OF STATE TAX REDUCTIONS.] (a) The following types of tax reductions may be approved by the commissioner for businesses located in an enterprise zone:

(1) An exemption from the general sales tax imposed by chapter 297A for purchases of construction materials or equipment for use in the zone;

(2) A credit against income tax for a percentage of the payroll costs or wages paid to additional workers employed in the zone, other than workers employed in construction;

(3) An income tax credit for a percentage of the cost of debt financing to construct new facilities in the zone;

(4) A state paid property tax credit for a portion of the property taxes paid by a new commercial or industrial facility or the additional property taxes paid by an expansion of an existing commercial or industrial facility in the zone.

(b) The municipality shall specify in its application for designation the types of tax reductions it seeks to be made available in the zone and the percentage rates and other appropriate limitations on the reductions.

(c) Upon designation of an enterprise zone and approval by the commissioner of the tax reductions to be made available therein, the commissioner of revenue shall take the steps necessary to implement the tax reductions.

(d) The tax reductions provided by this subdivision shall not apply to any facility as enumerated in section 103(b)(6)(O) of the Internal Revenue Code of 1954, as amended through January 15, 1983, or to any regulated public utility.

(e) In addition to the tax reductions authorized by paragraph (a), for an enterprise zone designated under section 273.1312, subdivision 4, clause (3)(c), the following types of tax reductions may be approved:

(1) A credit against income tax for workers employed in the zone up to a maximum of \$ per employee; or

(2) A state paid property tax credit for a portion of the property taxes paid by a commercial or industrial facility located in the zone.

Subd. 10. [TECHNICAL ASSISTANCE.] The commissioner shall establish a mechanism for providing and shall provide technical assistance to small municipalities seeking designation of an area as an enterprise zone under this section and section 273.1312. For purposes of this subdivision, a small municipality means a municipality with a population of 25,000 or less.

Subd. 11. [ADMINISTRATIVE PROCEDURES ACT.] The provisions of chapter 14 shall not apply to designation of enterprise zones pursuant to this section or section 273.1312.

Subd. 12. [FEDERAL DESIGNATIONS.] The commissioner may accept applications and may at any time grant a contingent designation of area as an enterprise zone for purposes of seeking a designation of the area as a federal enterprise zone. For purposes of such designations, the commissioner may waive any of the requirements or limitations on designations contained in this section. If the contingent designation would require funding in excess of the amount available pursuant to subdivision 8, the commissioner shall inform the members of the legislative advisory commission and shall submit a request for the necessary funding to the tax and appropriations committees of the legislature.

Subd. 13. [REPEALER.] This section is repealed effective December 31, 1991.

Sec. 11. [APPROPRIATION.]

The following amounts are appropriated to the commissioner of energy, planning, and development for the purpose of administering the enterprise zone law:

FY 1984. . . . \$.

FY 1985. . . . \$.

Sec. 12. Minnesota Statutes 1982, section 290.06, subdivision 1, is amended to read:

Subdivision 1. [COMPUTATION, CORPORATIONS.] The privilege and income taxes imposed by this chapter upon corporations shall be computed by applying to their taxable net income in excess of the applicable deductions allowed under section 290.21 the following rates:

(1) On the first \$25,000, (FOR THE FIRST TAXABLE YEAR BEGINNING AFTER DECEMBER 31, 1981 AND BEFORE JANUARY 1, 1983 NINE PERCENT AND, FOR TAXABLE YEARS BEGINNING AFTER DECEMBER 31, 1982,) six percent; provided that, in the case of a corporation having taxable net income allocated to this state pursuant to the provisions of section 290.19 or 290.20, the amount of income subject to this rate shall be that proportion of \$25,000 which its income allocable to this state bears to its total taxable net income; and

(2) On the remainder, (12) 11 percent.

Sec. 13. Minnesota Statutes 1982, section 290.068, is amended by adding a subdivision to read:

Subd. 6. [ADDITIONAL CREDIT.] (a) In addition to the credit allowed by subdivision 1, a credit shall be allowed against the tax imposed by this chapter for the taxable year equal to 12.5 percent of the amount of qualified research expenses paid or incurred for qualified research performed by a corporation for or on behalf of one or more of its wholly-owned subsidiary corporations which has in effect during the taxable year a valid election under section 936 of the Internal Revenue Code, including any expenses paid or incurred that are attributable to a wholly-owned subsidiary corporation by reason of paragraph (h) of section 936 for purposes of determining each corporation's combined taxable income.

(b) The maximum credit allowed by clause (a) for the taxable year shall be the excess of

(1) the total amount of tax imposed by this chapter on all members of the unitary group for the taxable year, over

(2) the sum of (A) the total amount of tax which would be imposed on the unitary group, if the corporation or corporations with valid elections under section 936 of the Internal Revenue Code were excluded from the unitary group, plus (B) the tax, if any, which would be imposed on the corporation or corporations with valid elections under section 936 of the Internal Revenue Code without regard to the other members of the unitary group.

(c)(1) If the amount of the credit determined under clause (a) for any taxable year exceeds the limitation provided in clause (b), the excess shall be a research credit carryover to each of the 15 succeeding taxable years. The entire amount of the excess unused credit for the taxable year shall be carried first to the earliest of the taxable years to which the credit may be carried and then to each successive year to which the credit may be carried.

(2) The amount of the unused credit which may be added under clause (c)(1) for any preceding taxable year shall not exceed the amount by which the limitation provided by clause (b) for the taxable year exceeds the sum of

(i) the credit allowable under this subdivision for the taxable year, and

(ii) the amounts, which, by reason of clause (c)(1), are added to the amount allowable for the taxable year and which are attributable to taxable years preceding the taxable year in which an excess credit arises.

Sec. 14. [290.069] [SMALL BUSINESS INVESTMENT CREDITS.]

Subdivision 1. [DEFINITIONS.] (a) "Qualified small business" means a business entity organized for profit if the entity:

(1) Has 20 or fewer employees and has less than \$1,000,000 in gross annual receipts;

(2) Is not a subsidiary or an affiliate of a business which employs more than 20 employees or has total gross receipts for the previous year of more than \$1,000,000, computed by aggregating all of the employees and gross receipts of the business entities affiliated with the business;

(3) Has its commercial domicile in this state;

(4) Does not derive more than 20 percent of its gross receipts from royalties, rents, dividends, interest, annuities, and sales or exchanges of stock or securities;

(5) Is not engaged in a trade or business, the primary purpose of which is described in section 103(b)(6)(O) of the Internal Revenue Code of 1954; and

(6) Is certified by the commissioner of energy, planning and development that it satisfies the requirements of clauses (1) to (5).

(b) "Small business assistance office" means a nonprofit corporation which is formed under chapter 317, is an exempt organization under section 501(c)(3) of the Internal Revenue Code of 1954, and satisfies the following conditions:

(1) The primary purpose of the corporation is to aid in the formation of new businesses which create jobs in the state by training or providing other direct assistance to entrepreneurs, managers, and other individuals in the development, financing, and operation of qualified small businesses.

(2) The corporation provides audited financial statements to all contributors and the commissioner of energy, planning, and development within 90 days following the close of the corporation's fiscal year.

(3) The corporation employs at least two full-time professional employees or the equivalent.

(4) The corporation is not engaged in providing financing or primarily engaged in arranging financing for businesses.

(5) The commissioner of energy, planning and development certifies that the corporation satisfies the requirements of this paragraph for the calendar year.

(c) "Technology" means a proprietary process, formula, pattern, device, or compilation of scientific or technical information unless it

(1) is in the public domain; or

(2) cannot be accurately valued.

(d) "Controlled group of corporations" means the controlled group of corporations as defined in section 1563 of the Internal Revenue Code of 1954, and if the corporation is part of a unitary business, includes the corporations or entities constituting the unitary business which are not in the controlled group of corporations as defined in section 1563.

(e) The "Internal Revenue Code of 1954" means the Internal Revenue Code of 1954, as amended through January 15, 1983.

Subd. 2. [TECHNOLOGY TRANSFER CREDIT.] A credit may be claimed against the taxes imposed by this chapter in an amount equal to 30 percent of the net value of the technology transferred to a qualified small business if the following conditions are satisfied:

(a) The commissioner certifies that the technology has the value claimed by the transferor taxpayer.

(b) The transferor taxpayer is the exclusive and undisputed owner of the technology at the time the transfer is made.

(c) Except as provided in paragraph (h), the transferor retains no proprietary or financial interest in the technology subsequent to its transfer to the qualified small business and no credit is claimed for the transfer of the technology in a prior or subsequent taxable year, except pursuant to the carryover provisions of subdivision 5.

(d) The credit shall apply only to the first \$1,000,000 of the net value of the technology transferred during the taxable year. The value of the technology shall not exceed the total qualified research expenses, as defined in section 290.068, subdivision 2, expended by the transferor to create or develop the technology. For purposes of this clause, "net value" means the total value of the technology less any payments received from the transferee and less the value of any equity interest in the transferee received by the transferor in exchange for the technology. For purposes of determining the value of the equity interest, the total value of the transferee shall be deemed to be not less than the value of the technology transferred, less any cash payment made to the transferor.

(e) The taxpayer has not deducted the value of the transferred property from income under any other provisions of this chapter, except that the costs of developing the technology may have been deducted as a business expense or depreciated or included in the computation of the research and experimental expenditure credit pursuant to section 290.068.

(f) The transferee business entity may not be a subsidiary or affiliate of the transferor taxpayer.

(g) The transferee makes a substantial investment in acquiring or developing the technology. The requirements of this clause are satisfied if (1) transferee pays the transferor an amount equal to 20 percent of the value of the technology in return for acquisition of the rights to the technology, or if (2) the transferee expends an equivalent amount for equipment, materials,

wages, or other direct costs to develop, produce, or otherwise use the technology. The requirements of this paragraph may not be satisfied by granting the transferor an equity interest as provided by paragraph (h).

(h) The transferor may receive in exchange for the transfer of the technology an equity interest in the transferee, but this interest may not exceed 25 percent of the capital interest, if the transferee is a partnership, or 25 percent in value of the outstanding stock, if the transferee is a corporation. The transferor's basis in the equity interest shall be reduced by the amount of the credits received pursuant to this subdivision. The transferor may not deduct any loss realized on the sale or exchange of the equity interest.

The commissioner may require that the taxpayer obtain an appraisal of the value of the transferred technology by a reliable, expert third party. The commissioner may promulgate administrative rules for appraising the value of transferred technology.

Subd. 3. [SMALL BUSINESS ASSISTANCE OFFICE CREDIT.] A credit shall be allowed against the taxes imposed by this chapter in an amount equal to 50 percent of the first \$50,000 of contributions made during the taxable year to a small business assistance office. No credit shall be allowed for any contributions deducted pursuant to any other provision of this chapter.

Subd. 4. [EQUITY INVESTMENT CREDIT.] (a) A credit shall be allowed against the tax imposed by this chapter for the taxable year in an amount equal to 30 percent of the net investment in excess of \$25,000 in the equity stock of a qualified small business. The maximum amount of the credit for a taxable year may not exceed \$75,000. For purposes of this credit the following limitations apply:

(1) Equity stock shall not include any security which provides for fixed or variable interest payments.

(2) The taxpayer and any related persons may not own more than 49 percent of the value of any class of stock. For purposes of this paragraph, a person is a related person to another person if (i) the relationship between the persons would result in a disallowance of losses under section 267 or 707(b) of the Internal Revenue Code of 1954 or (ii) the persons are members of the same controlled group of corporations. The restrictions provided by this subdivision shall apply for a three year period beginning on the date the stock is purchased. If the taxpayer or a related person acquires more than 49 percent of the value of any class of stock after the allowance of a credit under this subdivision and prior to the end of the three year

period, the taxpayer's tax for the taxable year in which the credit was allowed shall be increased by the amount of the credit previously claimed.

(3) The credit shall not exceed 75 percent of the taxpayer's tax liability computed after the subtraction of all credits, other than the credit provided in this subdivision. The portion of the credit disallowed shall qualify as a carryover pursuant to subdivision 5.

(b) If the principal place of business of the qualified small business is located in an enterprise zone designated pursuant to section 273.1312, \$10,000 shall be substituted for \$25,000 and \$100,000 for \$75,000 in paragraph (a).

Subd. 5. [LIMITATIONS; OTHER CONDITIONS.] The provisions of section 290.068, subdivisions 3, clause (a); 4; and 5 shall apply to the sum of the credits which this section allows, except that no carryback shall be allowed. The carryover provisions of section 290.068, subdivision 3, clause (b), shall apply to the sum of the credits allowed by this section except that the term "research credit" or "research and experimental expenditure credit" shall include the credits authorized by subdivisions 2 to 4 of this section. The credits allowed by subdivisions 2 and 3 shall only be available to corporations and banks whose tax is computed pursuant to section 290.06, subdivision 1.

The maximum limitations on the amount of credits pursuant to subdivisions 2 and 3 shall be determined by aggregating together the credits of all the corporations in the controlled group of corporations with the taxpayer. In order to facilitate compliance with and enforcement of this provision the commissioner may require the taxpayer to claim the credit on a combined report of the unitary business or to file a copy of the consolidated federal return with the state return or both.

Subd. 6. [REPEALER.] This section is repealed effective for contributions made, technology transferred, and investments made in taxable years beginning after December 31, 1985.

Sec. 15. Minnesota Statutes 1982, section 290.09, subdivision 4, is amended to read:

Subd. 4. [TAXES.] Taxes paid or accrued within the taxable year, except (a) income or franchise taxes imposed by this chapter and income or franchise taxes paid to any other state or to any province or territory of Canada for which a credit is allowed under section 290.081; (b) taxes assessed against local benefits of a kind deemed in law to increase the value of the property assessed; (c) inheritance, gift and estate taxes except as provided in section 290.077, subdivision 4; (d) cigarette and tobacco products excise tax imposed on the consumer; (e) that

part of Minnesota property taxes for which a credit or refund is claimed and allowed under chapter 290A; (f) federal income taxes (including the windfall profit tax on domestic crude oil), by corporations, national and state banks; (g) mortgage registry tax; (h) real estate transfer tax; (i) federal telephone tax; (j) federal transportation tax; (AND) (k) *income or franchise taxes paid by a corporation to another state, to a political subdivision of another state, or to the District of Columbia; and (l) tax paid by any corporation or national or state bank to any foreign country or possession of the United States to the extent that a credit against federal income taxes is allowed under the provisions of the Internal Revenue Code of 1954, as amended through December 31, 1981. If the taxpayer's foreign tax credit consists of both foreign taxes deemed paid and foreign taxes actually paid or withheld, it will be conclusively presumed that foreign taxes deemed paid were first used by the taxpayer in its foreign tax credit. Minnesota gross income shall include the amount of foreign tax paid which had been allowed as a deduction in a previous year, provided such foreign tax is later allowed as a credit against federal income tax.*

Taxes imposed upon a shareholder's interest in a corporation which are paid by the corporation without reimbursement from the shareholder shall be deductible only by such corporation.

Property taxes shall be allowed as a deduction to the same taxpayer and in the same manner as provided in section 164 of the Internal Revenue Code of 1954, as amended through December 31, 1981, notwithstanding the provisions of section 272.31.

Sec. 16. Minnesota Statutes 1982, section 290.09, subdivision 28, is amended to read:

Subd. 28. [REAL ESTATE INVESTMENT TRUSTS; DEDUCTIBLE DIVIDENDS.] A "real estate investment trust," as defined in section 856 of the Internal Revenue Code of 1954, as amended through December 31, 1981, and to which sections 856 to 860 of the Code apply for the taxable year, may deduct its dividends paid to the extent permitted by section 857(b) (2) (B) of the Code. Such a trust and its shareholders and beneficiaries shall be subject to all of the provisions of sections 857 and 858 of the Code which are applicable under this chapter, in determining their respective taxable net incomes, provided that the amount determined and available for the alternative tax under section 857(b) (3) (A) (ii) of the Code shall be included in gross income (SUBJECT TO THE DEDUCTION PROVIDED BY SECTION 290.16, SUBDIVISION 4).

Sec. 17. Minnesota Statutes 1982, section 290.091, is amended to read:

290.091 [MINIMUM TAX ON PREFERENCE ITEMS.]

In addition to all other taxes imposed by this chapter there is hereby imposed, a tax which, in the case of a resident individual, shall be equal to 40 percent of the amount of the taxpayer's minimum tax liability for tax preference items pursuant to the provisions of sections 55 to 58 and 443(d) of the Internal Revenue Code of 1954 as amended through December 31, 1981. For purposes of the tax imposed by this section, the following modifications shall be made:

(1) Capital gain as defined in section 57(a) of the Internal Revenue Code shall not include that portion of any gain occasioned by sale, transfer or the granting of a perpetual easement pursuant to any eminent domain proceeding or threat thereof as described in section 290.13, subdivision 5. This modification shall apply to the years in which the gain or reduction in loss is actually included in federal adjusted gross income even though amounts received pursuant to the eminent domain proceedings were received in prior years.

(2) In the case of a corporate taxpayer, percentage depletion shall not be a preference item.

(3) In the case of a corporate taxpayer, (THE) capital (GAIN) *gains shall not be a preference item (SHALL NOT INCLUDE THE TIMBER PREFERENCE INCOME DEFINED IN SECTION 57(E)(1) OF THE INTERNAL REVENUE CODE).*

(4) The preference item of reserves for losses on bad debts shall not include reserves allowable under section 593 of the Internal Revenue Code, but which are not allowable under section 290.09, subdivision 6, clause (c).

(5) In the case of an individual, the preference item of adjusted itemized deductions does not include any deduction for charitable contributions in excess of the limitations contained in section 290.21, subdivision 3, including any carryover amount allowed for federal purposes.

(6) The capital gain preference item shall be reduced where the gain would be modified because some or all of the assets have a higher basis for Minnesota purposes than for federal purposes.

(7) In the case of a nonresident individual, or an estate or trust, with a net operating loss that is a larger amount for Minnesota than for federal, the capital gain preference item shall be reduced to the extent it was reduced in the allowance of the net operating loss.

In the case of a resident individual, having preference items which could not be taken to reduce income from sources outside

the state pursuant to section 290.17, subdivision 1, or any other taxpayer the tax shall equal 40 percent of that federal liability, multiplied by a fraction the numerator of which is the amount of the taxpayer's preference item income allocated to this state pursuant to the provisions of sections 290.17 to 290.20, and the denominator of which is the taxpayer's total preference item income for federal purposes.

The tax benefit rule contained in section 58(h) of the Internal Revenue Code is applied to the Minnesota minimum tax only to the extent that it determines if there is a federal minimum tax. No separate tax benefit rule is allowable for the Minnesota minimum tax.

For property placed in service after December 31, 1980, the preference items contained in section 57 (a) (12) of the Internal Revenue Code of 1954, as amended through December 31, 1981, shall not apply.

Sec. 18. Minnesota Statutes 1982, section 290.16, subdivision 4, is amended to read:

Subd. 4. [DEDUCTIONS FOR CAPITAL GAINS.] If for any taxable year the net long-term capital gain exceeds the net short-term capital loss, (60) 50 percent of the amount of (SUCH) *the excess shall be a deduction from gross income. The deduction provided by this subdivision shall be allowed only if the taxpayer has long term capital gain derived from the sale or exchange of qualified securities equal to at least the amount of the excess of net long term capital gain over net short term capital loss. For purposes of this subdivision, "qualified security" means a security as defined in section 165(g)(2) of the Internal Revenue Code of 1954, as amended through January 15, 1983, if (a) the security represents or is convertible to an equity interest in the issuing corporation or business entity, (b) the security or other securities issued by the same corporation or entity were not listed on the New York Stock Exchange, the American Stock Exchange, or the National Association of Securities Dealers Automated Quotation system within a one year period of the date on which the taxpayer acquired the security, and (c) the security was not issued by a corporation or entity in which the taxpayer owned more than 60 percent of the combined voting power of all classes of stock entitled to vote.*

Sec. 19. Laws 1981, Third Special Session chapter 2, article III, section 22, as amended by Laws 1982, chapters 523, article XXIX, section 5, and 641, article II, section 7, is amended to read:

Sec. 22. [EFFECTIVE DATE.]

Sections 1 and 19 to 21 are effective February 1, 1982. The provision of section 2 relating to commodity tax straddles and

section 7 are effective for taxable years beginning after December 31, 1980. The provisions of section 2 relating to the exclusion of dividend and interest income are effective for taxable years beginning after December 31, 1981. Section 2, clauses (a) (22), (b) (24), the portion of clause (a) (16) relating to recovery property, (b) (25), and sections 8, 11, and 12 are effective for property placed in service after December 31, 1980 in taxable years ending after that date. Section 2, clauses (a) (17), (b) (2), the portion of clause (a) (16) relating to gain from the sale or disposition of property and section 9 are effective for taxable years beginning after December 31, 1982. Section 6 is effective for taxable years beginning after December 31, 1981. Section 10 is effective for (THE SALE OR OTHER DISPOSITION OF PROPERTY) *taxable years beginning after December 31, (1982) 1983*. For taxpayers subject to tax under Minnesota Statutes, Chapter 290, sections 13, 14, and 15 are effective for taxable years beginning after June 30, 1981. Section 16 is effective for taxable years beginning after December 31, 1981. Sections 17 and 18 are effective for petitions filed after January 31, 1982.

Sec. 20. [UNITARY METHOD OF APPORTIONMENT;
INTERIM STUDY.]

The tax committee of the house of representatives shall conduct a study of the unitary method of apportioning the income of corporations engaged in multistate businesses during the 1983 interim to determine if it fairly and equitably apportions the income of such corporations to Minnesota.

Sec. 21. [EFFECTIVE DATE.]

Sections 1 to 11 and 20 are effective the day following final enactment. Sections 12, and 14 to 18 are effective for taxable years beginning after December 31, 1983. Section 13 is effective for taxable years beginning after December 31, 1982. Section 19 is effective January 1, 1982.

ARTICLE 7

CASH FLOW

Section 1. [124.195] [PAYMENT OF AIDS AND
CREDITS TO SCHOOL DISTRICTS.]

Subdivision 1. [APPLICABILITY.] Notwithstanding any law to the contrary, this section applies to all aids, payments, or credits paid by the commissioner of education or department of education from the general fund of the state of Minnesota to any school district for the financing of education in elementary schools, secondary schools, middle schools, vocational center schools as defined in section 120.05, or special education cooperatives formed pursuant to sections 120.17 or 471.59. The pro-

cedures described in this section for making disbursements to school districts shall be used in fiscal year 1985 and each fiscal year thereafter and shall apply to both prior year final adjustment payments and current year entitlements.

Subd. 2. [DEFINITION.] The term "other-than-general-fund payments" means payments by county treasurers pursuant to section 276.10, apportionments from the school endowment fund pursuant to section 124.09, any payments made by the commissioner of education from federal funds, apportionments by the county auditor pursuant to section 124.10, subdivision 2, and payments to school districts by the commissioner of revenue pursuant to sections 294.21 through 294.26 and chapter 298.

Subd. 3. Each year the commissioner of education shall pay to a school district on the days indicated below an amount of cash from the state general fund which, when added to the sum of

(1) estimated cumulative other-than-general-fund payments to school district operating funds between July 1 and the payment date, and

(2) all prior disbursements during the fiscal year of state general fund moneys to school districts for placement in the district's operating funds,

will provide the operating funds of the school district with state general fund payments and other-than-general-fund payments that in total will not exceed for the payment date the following percentages of the sum of all estimated state general fund payments and other-than-general-fund payments due the district during the fiscal year:

Payment 1	First business day prior to July 15	2.25%
Payment 2	First business day prior to July 30	4.50
Payment 3	First business day prior to August 15	6.75
Payment 4	First business day prior to August 30	9.0
Payment 5	First business day prior to September 15	12.75
Payment 6	First business day prior to September 30	16.5
Payment 7	First business day prior to October 15	20.75
Payment 8	First business day prior to October 30	25.0
Payment 9	First business day prior to November 15	31.0
Payment 10	First business day prior to November 30	37.0

Payment 11	First business day prior to December 15	40.0
Payment 12	First business day prior to December 30	43.0
Payment 13	First business day prior to January 15	49.25
Payment 14	First business day prior to January 30	51.5
Payment 15	First business day prior to February 15	56.0
Payment 16	First business day prior to February 28	60.5
Payment 17	First business day prior to March 15	65.25
Payment 18	First business day prior to March 30	70.0
Payment 19	First business day prior to April 15	74.0
Payment 20	First business day prior to April 30	78.0
Payment 21	First business day prior to May 15	83.75
Payment 22	First business day prior to May 30	89.5
Payment 23	First business day prior to June 15	94.75
Payment 24	First business day prior to June 30	100.0

Subd. 4. In no case shall the commissioner of education pay to a school district for placement in its operating funds an amount of moneys from the state general fund that exceeds the sum of the district's estimated aid entitlements for placement in its operating funds for the current school year, plus the final adjustment payment for aids for placement in its operating funds for the preceding school year.

Subd. 5. For purposes of determining the amount of state general fund moneys to be paid to school districts pursuant to subdivision 3, the commissioner of education shall assume that the payments to school districts by the county treasurer pursuant to section 276.10 are made in the following manner:

(a) 50 percent within seven business days of each settlement date; and

(b) 100 percent within 14 business days of each settlement date.

The commissioner shall also assume that the payments to school districts by county auditors pursuant to section 124.10,

subdivision 2 are made in the months indicated in that subdivision.

Subd. 6. In fiscal year 1985 and each fiscal year thereafter, state general fund payments to school districts for placement in non-operating funds shall be made in 12 equal monthly installments.

Sec. 2. Minnesota Statutes 1982, section 276.09, is amended to read:

276.09 [SETTLEMENT BETWEEN AUDITOR AND TREASURER.]

On the fifth day of March and the 20th day of (MARCH, JUNE, AND NOVEMBER) *May, and October* of each year, the county treasurer shall make full settlement with the county auditor of all receipts collected by him for all purposes, from the date of the last settlement up to and including each day mentioned. The county auditor shall, within 30 days after each settlement, send an abstract of same to the state auditor in the form prescribed by the state auditor. At each settlement the treasurer shall make complete returns of the receipts on the current tax list, showing the amount collected on account of the several funds included in the list.

For purposes of this section, "receipts" shall include all tax payments received by the county treasurer on or before the settlement date.

Sec. 3. Minnesota Statutes 1982, section 276.10, is amended to read:

276.10 [APPORTIONMENT AND DISTRIBUTION OF FUNDS.]

On the settlement day in March, (JUNE, AND NOVEMBER) *May and October* of each year, the county auditor and county treasurer shall distribute all undistributed funds in the treasury, apportioning them, as provided by law, and placing them to the credit of the state, town, city, school district, special district and each county fund. Within 20 days after the distribution is completed, the county auditor shall make a report of it to the state auditor in the form prescribed by the state auditor. The county auditor shall issue his warrant for the payment of moneys in the county treasury to the credit of the state, town, city, school district, or special districts on application of the persons entitled to receive them.

Sec. 4. Minnesota Statutes 1982, section 276.11, is amended to read:

276.11 [WHEN TREASURER SHALL PAY FUNDS.]

As soon as practical after each settlement in March, (JUNE, AND NOVEMBER) *May and October* the county treasurer shall pay over to the state treasurer or the treasurer of any town, city, school district, or special district, on the warrant of the county auditor, all receipts arising from taxes levied by and belonging to the state, or to such municipal corporation, or other body, and deliver up all orders and other evidences of indebtedness of such municipal corporation or other body, taking triplicate receipts therefor. The treasurer shall file one of the receipts with the county auditor, and shall return one by mail on the day of its reception to the clerk of the town, city, school district, or special district to which payment was made. The clerk shall preserve the receipt in the clerk's office. Upon written request of the state, a municipal corporation or other public body, the county treasurer shall, to the extent practicable, make partial payments of amounts collected periodically in advance of the next settlement and distribution. Accompanying each payment shall be a statement prepared by the county treasurer designating the years for which taxes included in the payment were collected and, for each year, the amount of taxes and any penalties thereon. The county treasurer shall pay, upon written request of the state, a municipal corporation or other public body except school districts, at least 70 percent of the estimated collection within 30 days after the settlement date. Within (15) *seven business days* after the settlement date, the county treasurer shall pay to the treasurer of the school districts (AT LEAST 70) 50 percent of the estimated collections arising from taxes levied by and belonging to the school district *and the remaining 50 percent of the estimated collections shall be paid to the treasurer of the school district within the next seven business days.* The treasurer shall pay the balance of the amounts collected to the state or to a municipal corporation or other body within 60 days after the settlement date, provided, however, that after 45 days interest shall accrue at a rate of eight percent per annum to the credit of and shall be paid to the state, municipal corporation or other body. Interest shall be payable upon appropriation from the general revenue fund of the county and, if not paid, may be recovered by the state, municipal corporation, or other body, in a civil action.

Sec. 5. Minnesota Statutes 1982, 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 his 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 clerk of the district court before the (FIRST) 15th day of (JUNE) 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 (JUNE 1) May 15 of the year in which the taxes are payable.

Sec. 6. Minnesota Statutes 1982, section 278.01, subdivision 2, is amended to read:

Subd. 2. [HOMESTEADS.] Any person having any estate, right, title or interest in or lien upon any parcel which is classified as homestead under the provisions of section 273.13, subdivisions 6, 6a, 7, 7b, 10 or 12, who claims that said parcel 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 that parcel is located, for which the commissioner is able to establish and publish a sales ratio study as determined by the applicable real estate assessment/sales ratio study published by the commissioner of revenue, may have the validity of his 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 such service, in the office of the clerk of the district court before the (FIRST) 15th day of (JUNE) May of the year in which such 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.

Sec. 7. Minnesota Statutes 1982, 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 (FIRST) 15th day of (JUNE) 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 (NOVEMBER 1) October 15, 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 (FIRST) 15th day of (JUNE) May or the (FIRST) 15th day of (NOVEMBER) October, 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. 8. Minnesota Statutes 1982, 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, subdivisions 6, 6a, 7, 7b, 10 or 12, 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 his attorney, and file with the clerk 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 his attorney, gives notice in writing to the county attorney, or the attorney for the city or town, that the offer is accepted, he may file the offer with proof of notice, and the clerk 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 (FIRST) 15th day of (NOVEMBER) *October* 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 (FIRST) 15th day of (NOVEMBER) *October* of the year in which the taxes were payable, in which event interest shall not be taxable.

Sec. 9. Minnesota Statutes 1982, section 279.01, subdivision 1, is amended to read:

Subdivision 1. On (JUNE FIRST) *May 15*, 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 non-homestead property. Thereafter, for both homestead and non-homestead property, on the (FIRST) 15th day of each month, up to and including (NOVEMBER FIRST) *October 15* 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 \$10, one-half thereof may be paid prior to (JUNE FIRST) *May 15*; and, if so paid, no penalty shall attach; the remaining one-half shall be paid at any time prior to (NOVEMBER FIRST) *October 15* 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 non-homestead property. Thereafter, for homestead property, on the (FIRST) 15th day of each month up to and including (JANUARY 1) *December 15* following, an additional penalty of

two percent for each month shall accrue and be charged on all such unpaid taxes. Thereafter, for non-homestead property, on the (FIRST) 15th day of each month up to and including (JANUARY 1) *December 15* 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 (JUNE FIRST) *May 15*, the same may be paid at any time prior to (NOVEMBER FIRST) *October 15*, with accrued penalties to the date of payment added, and thereupon no penalty shall attach to the remaining one-half until (NOVEMBER FIRST) *October 15* following; provided, also, that the same may be paid in installments as follows: One-fourth prior to (APRIL FIRST) *March 15*; one-fourth prior to (JUNE FIRST) *May 15*; one-fourth prior to (SEPTEMBER FIRST) *August 15*; and the remaining one-fourth prior to (NOVEMBER FIRST) *October 15*, subject to the aforesaid penalties. Where the taxes delinquent after (NOVEMBER FIRST) *October 15* against any tract or parcel exceed \$40, they may be paid in installments of not less than 25 percent thereof, together with all accrued penalties and costs, up to the next tax judgment sale, and after such payment, penalties, interest, and costs shall accrue only on the sum remaining unpaid. Any county treasurer who shall make out and deliver or countersign any receipt for any such taxes without including all of the foregoing penalties therein, shall be liable to the county for the amount of such penalties.

Sec. 10. Minnesota Statutes 1982, section 473F.08, subdivision 7a, is amended to read:

Subd. 7a. The administrative auditor shall determine for each county the difference between the total levy on distribution value pursuant to subdivision 3, clause (a), within the county and the total tax on contribution value pursuant to subdivision 6, within the county. On or before (JUNE 1) *May 15* of each year, he shall certify the differences so determined to each county auditor. In addition, he shall certify to those county auditors for whose county the total tax on contribution value exceeds the total levy on distribution value the settlement the county is to make to the other counties of the excess of the total tax on contribution value over the total levy on distribution value in the county. On or before June (30) *15* and November (30) *15* of each year, each county treasurer in a county having a total tax on contribution value in excess of the total levy on distribution value shall pay one-half of the excess to the other counties in accordance with the administrative auditors certification.

Sec. 11. [EFFECTIVE DATE.]

Sections 2 to 10 are effective for taxes levied in 1983 and thereafter, payable in 1984 and thereafter.

ARTICLE 8

LOCAL GOVERNMENT AIDS

Section 1. Minnesota Statutes 1982, section 116J.42, subdivision 7, is amended to read:

Subd. 7. The commissioner:

(1) Shall continuously gather and develop demographic data within the state;

(2) Shall design and test methods of research and data collection;

(3) Shall have the power to call upon any agency of the state or political subdivision for data as may be available, and the agencies and political subdivisions shall cooperate to the fullest extent possible;

(4) Shall periodically prepare population projections for designated regions and for the state and may periodically prepare projections for each county, or other political or geographic division;

(5) Shall review, comment, and prepare analysis of population estimates and projections made by state agencies, political subdivisions, other states, federal agencies or nongovernmental persons, institutions or commissions;

(6) Shall serve as the state liaison with the federal bureau of census, shall coordinate his activities with federal demographic activities to the fullest extent possible, and shall aid the legislature in preparing a census data plan and form for each decennial census;

(7) Shall compile an annual study of population estimates on the basis of county, regional or other political or geographic divisions as necessary to carry out the purposes of this subdivision and section 116J.43;

(8) Shall, on or before January 1 of each year, issue a report to the legislature containing an analysis of the demographic implications of the annual population study and population projections;

(9) Shall cause to be prepared maps of all counties in the state, all municipalities with a population of 10,000 or more, and any other municipalities as deemed necessary for census purposes, according to scale and detail recommended by the federal

bureau of the census, with the maps of cities showing boundaries of precincts; and

(10) Shall annually prepare (A POPULATION) *an estimate of population and of the number of households* for each governmental subdivision for which the metropolitan council does not prepare an annual (POPULATION) estimate, and shall communicate the (ESTIMATE) *estimates* to the governing body of each governmental subdivision by May 1 of each year.

Sec. 2. Minnesota Statutes 1982, section 273.138, is amended by adding a subdivision to read:

Subd. 8. Each school district which received in excess of \$25,000 in 1983 pursuant to section 271.138 shall receive:

(a) in 1984, two-thirds of the amount received in 1983 pursuant to section 273.138; and

(b) in 1985, one-third of the amount received in 1983 pursuant to section 273.138.

The commissioner of revenue shall calculate the amounts for all the affected school districts and shall certify the amounts to the commissioner of education who shall make payments directly to all affected school districts in two equal parts on July 15 and November 15 of each year. These aids shall be deducted from the school district's maintenance levy limitation established pursuant to section 275.125, subdivision 2a, in determining the amount of taxes the school district may levy for general and special purposes for taxes payable in 1984 and 1985.

Sec. 3. Minnesota Statutes 1982, section 273.139, is amended by adding a subdivision to read:

Subd. 4. Each school district which received in excess of \$25,000 in 1983 pursuant to section 271.139 shall receive:

(a) in 1984, two-thirds of the amount received in 1983 pursuant to section 273.139; and

(b) in 1985, one-third of the amount received in 1983 pursuant to section 273.139.

The commissioner of revenue shall calculate the amounts for all affected school districts and shall certify the amounts to the commissioner of education who shall make payments directly to all affected school districts on July 15 of each year.

Sec. 4. Minnesota Statutes 1982, section 477A.011, is amended by adding a subdivision to read:

Subd. 3a. [NUMBER OF HOUSEHOLDS.] Number of households means the number of households established by the most recent federal census, by a special census conducted under contract with the United States bureau of the census, by an estimate made by the metropolitan council, or by an estimate of the state demographer made pursuant to section 116J.42, subdivision 7, whichever is the most recent as to the stated date of the count or estimate.

Sec. 5. Minnesota Statutes 1982, section 477A.011, subdivision 6, is amended to read:

Subd. 6. [(CONSUMER PRICE INDEX) IMPLICIT PRICE DEFLATOR INCREASE.] For any calendar year aid distribution, the (CONSUMER PRICE INDEX) *implicit price deflator* increase means the percentage increase in the (REVISED CONSUMER PRICE INDEX FOR ALL URBAN CONSUMERS FOR THE MINNEAPOLIS-ST. PAUL METROPOLITAN AREA) *implicit price deflator for government purchases of goods and services for state and local government* prepared by the bureau of economic analysis of the United States department of (LABOR) *commerce* for the 12 month period ending in June of the previous year.

Sec. 6. Minnesota Statutes 1982, section 477A.011, subdivision 7, is amended to read:

Subd. 7. [LOCAL REVENUE BASE.] For the (1982) 1984 aid distribution, a municipality's local revenue base means (ITS LOCAL REVENUE BASE FOR) *the sum of:*

(a) (1) in the case of a municipality which had a local revenue base for the 1981 aid distribution, the 1981 aid distribution base calculated pursuant to Minnesota Statutes 1980, Section 477A.01, less any amount added to the local revenue base for the costs of principal and interest on bonded debt incurred for the purpose of providing capital replacement for streets, curbs, gutters, storm sewers, and bridges; (INCREASED IN THE MANNER PRESCRIBED BY CLAUSES (A) AND (B).) multiplied by a factor of 1.208, and multiplied by a factor equal to the estimated 1981 population divided by the 1980 census population, provided that the latter factor is greater than 1.0; or

(FOR ALL SUBSEQUENT CALENDAR YEAR AID DISTRIBUTIONS, A MUNICIPALITY'S LOCAL REVENUE BASE MEANS ITS LOCAL REVENUE BASE FOR THE PREVIOUS YEAR AID DISTRIBUTION CALCULATED PURSUANT TO SECTIONS 477A.011 TO 477A.014 INCREASED BY:)

((A) A PERCENTAGE EQUAL TO THE CONSUMER PRICE INDEX INCREASE; AND)

((B) A PERCENTAGE EQUAL TO THE PERCENTAGE INCREASE IN POPULATION OVER THAT USED TO COMPUTE THE PREVIOUS YEAR AID DISTRIBUTION, IF ANY.)

(THE LOCAL REVENUE BASE FOR A STATUTORY OR HOME RULE CHARTER CITY OR A TOWN HAVING THE POWERS OF A STATUTORY CITY PURSUANT TO SECTION 368.01 OR SPECIAL LAW WHICH HAS A POPULATION OF 2,500 OR MORE ACCORDING TO THE MOST RECENT FEDERAL CENSUS AND)

(2) *in the case of a municipality which (DOES) did not have a local revenue base for the (PREVIOUS YEAR) 1981 aid distribution (SHALL BE ESTABLISHED BY ADDING), the (PRIOR YEAR'S) 1983 local government aid distribution received pursuant to (MINNESOTA STATUTES 1980, SECTION 477A.01 OR) sections 477A.011 to 477A.014, (AND) plus the property tax levy, exclusive of levies for bonded indebtedness (, IN THE PRECEDING YEAR AND MULTIPLYING THAT SUM BY A PERCENTAGE EQUAL TO THE CONSUMER PRICE INDEX INCREASE.) for taxes payable in 1983;*

(b) *the total amount received in calendar year 1983 pursuant to Minnesota Statutes 1982, section 273.138;*

(c) *the total amount received in calendar year 1983 pursuant to Minnesota Statutes 1982, section 273.139, including any amount received by a district as defined by section 273.73, subdivision 9, which lies totally within the municipality; and*

(d) *any amount levied as a special assessment to cover the costs of municipal operation and maintenance activities for the taxes payable year 1983.*

Any municipality whose payable 1983 levy exceeded its payable 1979 levy by a factor of ten, primarily because of a loss in state administered aids, may apply to the commissioner of revenue to have its local revenue base computed as if it did not have a local revenue base for the 1981 distribution. Applications shall be in the form and accompanied by the data required by the commissioner.

For 1985 and all subsequent calendar year aid distributions the local revenue base means the adjusted local revenue base used in the previous year aid distribution.

Sec. 7. Minnesota Statutes 1982, section 477A.011, is amended by adding a subdivision to read:

Subd. 7a. [ADJUSTED LOCAL REVENUE BASE.] Adjusted local revenue base means the local revenue base increased by:

(a) a percentage equal to the implicit price deflator increased;

(b) a percentage equal to the percentage increase in population over that used to compute the previous year aid distribution, if any, or a percentage equal to the percentage increase in number of households over that used to compute the previous year aid distribution, if any, whichever is higher.

For the purposes of the 1984 aid distribution, the 1981 estimates of population and number of households shall be considered as the estimates used in the previous year aid distribution.

Sec. 8. Minnesota Statutes 1982, section 477A.011, subdivision 10, is amended to read:

Subd. 10. [MAXIMUM (INCREASE) AID AMOUNT.] For (ANY CALENDAR YEAR) *the 1984 aid distribution, a municipality's maximum (INCREASE) aid amount shall (MEAN THE FOLLOWING PERCENTAGE OF ITS PREVIOUS YEAR AID:)*

((A) 12 PERCENT IF ITS PREVIOUS YEAR AID IS GREATER THAN \$100 PER CAPITA;)

((B) 15 PERCENT IF ITS PREVIOUS YEAR AID IS GREATER THAN \$75 PER CAPITA BUT NOT GREATER THAN \$100 PER CAPITA;)

((C) 17 PERCENT IF ITS PREVIOUS YEAR AID IS GREATER THAN \$50 PER CAPITA BUT NOT GREATER THAN \$75 PER CAPITA;)

((D) 20 PERCENT IF ITS PREVIOUS YEAR AID IS NOT GREATER THAN \$50 PER CAPITA) *be 106 percent of the amount it received in 1983 pursuant to sections 477A.011 to 477A.03, plus any amounts received in 1983 pursuant to Minnesota Statutes 1982, sections 273.138 and 273.139, including any amount received by a district as defined by section 273.73, subdivision 9, which lies totally within the municipality.*

For any subsequent calendar year aid distribution, a municipality's maximum aid amount shall be 106 percent of the amount received in the previous year pursuant to sections 477A.011 to 477A.03.

Sec. 9. Minnesota Statutes 1982, section 477A.012, is amended to read:

477A.012 [COUNTY GOVERNMENT DISTRIBUTIONS.]

In each calendar year, every county government (EXCEPT THAT OF A COUNTY CONTAINING A CITY OF THE FIRST CLASS) shall receive a distribution equal to (ITS PREVIOUS YEAR AID) *two-thirds of the amounts received in 1983 pursuant to sections 477A.011 to 477A.03, and Minnesota Statutes 1982, sections 273.138 and 273.139.*

Sec. 10. Minnesota Statutes 1982, section 477A.013, is amended to read:

477A.013 [MUNICIPAL GOVERNMENT DISTRIBUTIONS.]

Subdivision 1. [(MUNICIPALITIES UNDER 2,500 POPULATION) TOWNS.] In each calendar year, each (MUNICIPALITY WHICH IS NOT COVERED BY THE PROVISIONS OF SUBDIVISION 2) *town which has an average equalized mill rate of at least two mills* shall receive a distribution equal to (ITS PREVIOUS YEAR AID PLUS ITS MINIMUM INCREASE) *50 percent of the amount received in 1983 pursuant to Minnesota Statutes 1982, sections 273.138, 273.139, and 477A.011 to 477A.03.*

Subd. 2. [(MUNICIPALITIES OVER 2,500 POPULATION) CITIES AND TOWNS.] In each calendar year, each statutory and home rule charter city (, AND EACH TOWN HAVING THE POWERS OF A STATUTORY CITY PURSUANT TO SECTION 368.01 OR SPECIAL LAW, WHICH HAS A POPULATION OF 2,500 OR MORE ACCORDING TO THE LATEST FEDERAL CENSUS) shall receive a distribution equal to the amount obtained by subtracting (THE PRODUCT OF) 10 mills (AND) *multiplied by* the municipality's equalized assessed value from the *adjusted* local revenue base. (THIS AMOUNT SHALL THEN BE ADJUSTED, SO THAT IT IS NEITHER LESS THAN THE SUM OF ITS PREVIOUS YEAR AID AND ITS MINIMUM INCREASE, NOR GREATER THAN THE SUM OF ITS PREVIOUS YEAR AID AND ITS MAXIMUM INCREASE.)

An aid amount shall be computed in the same manner for all towns which have an average equalized mill rate of at least two mills. A town's final aid amount shall be determined by either the subdivision 1 or the subdivision 2 calculation, whichever is greater.

Subd. 3. [AID LIMITATION.] *The aid amount determined pursuant to subdivision 2 shall be limited so that it is not greater than the municipality's maximum aid amount.*

Sec. 11. [477A.0131] [SUPPLEMENTAL APPROPRIATION.]

Subdivision 1. [MAXIMUM REDUCTION.] No home rule charter or statutory city shall receive a distribution in any calendar year pursuant to sections 477A.011 to 477A.03 that is less than the sum of the amounts received in the previous calendar year pursuant to sections 477A.011 to 477A.03, section 273.139, and section 273.138, by more than an amount equal to one and one-half mills times the unit's equalized assessed value.

Subd. 2. [APPROPRIATION.] A sum sufficient to satisfy the requirement of subdivision 1 is appropriated from the general fund to the commissioner of revenue for the purposes of this section. Payments shall be made in the manner prescribed in section 477A.015.

Sec. 12. Minnesota Statutes 1982, section 477A.014, subdivision 1, is amended to read:

Subdivision 1. [CALCULATIONS AND PAYMENTS.] The commissioner of revenue shall make all necessary calculations and make payments pursuant to sections 477A.012, 477A.013 and 477A.03 directly to the affected taxing authorities annually. In addition, the commissioner shall notify the authorities of their aid amounts, as well as the computational factors used in making the calculations for their authority, and those statewide total figures that are pertinent, before August 15 of the year preceding the aid distribution year.

Sec. 13. [477A.017] [UNIFORM FINANCIAL ACCOUNTING AND REPORTING SYSTEM.]

Subdivision 1. [PURPOSE.] Sections 477A.011 to 477A.03 are designed to provide property tax relief to local units of government. In order for the legislature to determine the amounts of relief necessary each year, the legislature must have uniform and current financial information from the governmental units which receive aid distributions. This section is intended to provide that information.

Subd. 2. [STATE AUDITOR'S DUTIES.] The state auditor shall prescribe uniform financial accounting and reporting standards in conformity with national standards to be applicable to cities of more than 2,500 population and uniform reporting standards to be applicable to cities of less than 2,500 population.

Subd. 3. [GOVERNOR'S DUTIES.] The governor shall by executive orders constitute a council on county financial accounting and reporting standards and a council on municipal financial accounting and reporting standards to advise the state auditor.

Subd. 4. [CONFORMITY.] Other law to the contrary notwithstanding, in order to receive distributions under sections 477A.011 to 477A.03, counties and cities must conform to the

standards set in subdivision 2 in making all financial reports required to be made to the state auditor after June 30, 1984.

Sec. 14. [LOCAL GOVERNMENT FINANCE STUDY.]

Subdivision 1. A legislative study commission is created to study local government finance, in particular but not limited to:

- (a) the effect of existing levy limit laws;*
- (b) special assessment procedures and policies;*
- (c) the feasibility of all local government units adopting a uniform fiscal year conforming to the state fiscal year; and*
- (d) the timeliness and sufficiency of the provision to the state of information about local government finance.*

Subd. 2. The commission shall consist of five members of the house of representatives appointed by the speaker, three of whom shall be from the majority caucus and two of whom shall be from the minority caucus; and five members of the senate appointed by the senate rules and administration committee, three of whom shall be from the majority caucus and two of whom shall be from the minority caucus. Any vacancy shall be filled by the appointing power.

Subd. 3. The commission may act from the time its members are appointed until the commencement of the 1984 regular meeting of the legislature. It shall report its findings and recommendations to the legislature not later than January 31, 1984.

Subd. 4. The commission may hold meetings and hearings at the times and places it designates to accomplish the purposes set forth in this section. It shall select a chairman and other officers from its membership as necessary.

Subd. 5. Members of the commission shall be reimbursed in the same manner and amount as for other legislative service. It shall use the staff and administrative support of existing legislative service offices.

Sec. 15. [REPEALER.]

Minnesota Statutes 1982, sections 273.138, subdivisions 1, 2, 3, 4, 5, and 6; 273.139, subdivisions 1 and 2; and 477A.011, subdivisions 8, and 9, are repealed.

Sec. 16. [EFFECTIVE DATE.]

This article is effective January 1, 1984.

ARTICLE 9

MULTISTATE TAX COMPACT

Section 1. [290.171] [ENACTMENT OF MULTISTATE TAX COMPACT.]

The "multistate tax compact" is hereby enacted into law and entered into with all jurisdictions legally joining therein, in the form substantially as follows:

Article I. Purposes.

The purposes of this compact are to:

- 1. Facilitate proper determination of state and local tax liability of multistate taxpayers, including the equitable apportionment of tax bases and settlement of apportionment disputes.*
- 2. Promote uniformity or compatibility in significant components of tax systems.*
- 3. Facilitate taxpayer convenience and compliance in the filing of tax returns and in other phases of tax administration.*
- 4. Avoid duplicative taxation.*

Article II. Definitions.

As used in this compact:

- 1. "State" means a state of the United States, the District of Columbia, the Commonwealth of Puerto Rico, or any territory or possession of the United States.*
- 2. "Subdivision" means any governmental unit or special district of a state.*
- 3. "Taxpayer" means any corporation, partnership, firm, association, governmental unit or agency or person acting as a business entity in more than one state.*
- 4. "Income tax" means a tax imposed on or measured by net income including any tax imposed on or measured by an amount arrived at by deducting expenses from gross income, one or more forms of which expenses are not specifically and directly related to particular transactions.*
- 5. "Capital stock tax" means a tax measured in any way by the capital of a corporation considered in its entirety.*

6. "Gross receipts tax" means a tax, other than a sales tax, which is imposed on or measured by the gross volume of business, in terms of gross receipts or in other terms, and in the determination of which no deduction is allowed which would constitute the tax an income tax.

7. "Sales tax" means a tax imposed with respect to the transfer for a consideration of ownership, possession or custody of tangible personal property or the rendering of services measured by the price of the tangible personal property transferred or services rendered and which is required by state or local law to be separately stated from the sales price by the seller, or which is customarily separately stated from the sales price, but does not include a tax imposed exclusively on the sale of a specifically identified commodity or article or class of commodities or articles.

8. "Use tax" means a nonrecurring tax, other than a sales tax, which (a) is imposed on or with respect to the exercise or enjoyment of any right or power over tangible personal property incident to the ownership, possession or custody of that property or the leasing of that property from another including any consumption, keeping, retention, or other use of tangible personal property and (b) is complementary to a sales tax.

9. "Tax" means an income tax, capital stock tax, gross receipts tax, sales tax, use tax, and any other tax which has a multistate impact, except that the provisions of articles III, IV and V of this compact shall apply only to the taxes specifically designated therein and the provisions of article IX of this compact shall apply only in respect to determinations pursuant to article IV.

Article III. Elements of Income Tax Laws.

Taxpayer Option, State and Local Taxes.

1. Any taxpayer subject to an income tax whose income is subject to apportionment and allocation for tax purposes pursuant to the laws of a party state or pursuant to the laws of subdivisions in two or more party states may elect to apportion and allocate his income in the manner provided by the laws of such state or by the laws of such states and subdivisions without reference to this compact, or may elect to apportion and allocate in accordance with article IV. This election for any tax year may be made in all party states or subdivisions thereof or in any one or more of the party states or subdivisions thereof without reference to the election made in the others. For the purposes of this paragraph, taxes imposed by subdivisions shall be considered separately from state taxes and the apportionment and allocation also may be applied to the entire tax base. In no instance wherein article IV is employed for all subdivisions of

a state may the sum of all apportionments and allocations to subdivisions within a state be greater than the apportionment and allocation that would be assignable to that state if the apportionment or allocation were being made with respect to a state income tax.

Taxpayer Option, Short Form.

2. Each party state or any subdivision thereof which imposes an income tax shall provide by law that any taxpayer required to file a return, whose only activities within the taxing jurisdiction consist of sales and do not include owning or renting real estate or tangible personal property, and whose dollar volume of gross sales made during the tax year within the state or subdivision, as the case may be, is not in excess of \$100,000 may elect to report and pay any tax due on the basis of a percentage of such volume, and shall adopt rates which shall produce a tax which reasonably approximates the tax otherwise due. The commissioner of revenue, after consultation with the Multistate Tax Commission, not more than once in five years, may adjust the \$100,000 figure in order to reflect such changes as may occur in the real value of the dollar, and such adjusted figure, upon adoption by the commissioner, shall replace the \$100,000 figure specifically provided herein. Each party state and subdivision thereof may make the same election available to taxpayers additional to those specified in this paragraph.

Coverage.

3. Nothing in this article relates to the reporting or payment of any tax other than an income tax.

Article IV. Division of Income.

1. As used in this article, unless the context otherwise requires:

(a) "Business income" means income arising from transactions and activity in the regular course of the taxpayer's trade or business, and includes income from tangible and intangible property if the acquisition, management, and disposition of the property constitute integral parts of the taxpayer's regular trade or business operations.

(b) "Commercial domicile" means the principal place from which the trade or business of the taxpayer is directed or managed.

(c) "Compensation" means wages, salaries, commissions and any other form of remuneration paid to employees for personal services.

(d) "Financial organization" means any bank, trust company, savings bank, industrial bank, land bank, safe deposit company, private banker, savings and loan association, credit union, cooperative bank, small loan company, sales finance company, investment company, or any type of insurance company.

(e) "Nonbusiness income" means all income other than business income.

(f) "Public utility" means any business entity (1) which owns or operates any plant, equipment, property, franchise, or license for the transmission of communications, transportation of goods or persons, except by pipeline, or the production, transmission, sale, delivery, or furnishing of electricity, water or steam; and (2) whose rates of charges for goods or services have been established or approved by a federal, state or local government or governmental agency.

(g) "Sales" means all gross receipts of the taxpayer not allocated under paragraphs of this article.

(h) "State" means any state of the United States, the District of Columbia, the Commonwealth of Puerto Rico, any territory or possession of the United States, and any foreign country or political subdivision thereof.

(i) "This state" means the state in which the relevant tax return is filed or, in the case of application of this article to the apportionment and allocation of income for local tax purposes, the subdivision or local taxing district in which the relevant tax return is filed.

2. Any taxpayer having income from business activity which is taxable both within and without this state, other than activity as a financial organization or public utility or the rendering of purely personal services by an individual or any income received by a Minnesota resident individual or income from the operation of a farm, shall allocate and apportion his net income as provided in this article. If a taxpayer has income from business activity as a public utility but derives the greater percentage of his income from activities subject to this article, the taxpayer may elect to allocate and apportion his entire net income as provided in this article.

3. For purposes of allocation and apportionment of income under this article, a taxpayer is taxable in another state if (1) in that state he is subject to a net income tax, a franchise tax measured by net income, a franchise tax for the privilege of doing business, or a corporate stock tax, or (2) that state has jurisdiction to subject the taxpayer to a net income tax regardless of whether, in fact, the state does or does not.

4. All business income shall be apportioned to this state by multiplying the income by a fraction, the numerator of which is the property factor plus the payroll factor plus the sales factor, and the denominator of which is three.

5. The property factor is a fraction, the numerator of which is the average value of the taxpayer's real and tangible personal property owned or rented and used in this state during the tax period and the denominator of which is the average value of all the taxpayer's real and tangible personal property owned or rented and used during the tax period.

6. Property owned by the taxpayer is valued at its original cost. Property rented by the taxpayer is valued at eight times the net annual rental rate. Net annual rental rate is the annual rental rate paid by the taxpayer less any annual rental rate received by the taxpayer from subrentals.

7. The average value of property shall be determined by averaging the values at the beginning and ending of the tax period but the tax administrator may require the averaging of monthly values during the tax period if reasonably required to reflect properly the average value of the taxpayer's property.

8. The payroll factor is a fraction, the numerator of which is the total amount paid in this state during the tax period by the taxpayer for compensation and the denominator of which is the total compensation paid everywhere during the tax period.

9. Compensation is paid in this state if:

(a) The individual's service is performed entirely within the state;

(b) The individual's service is performed both within and without the state, but the service performed without the state is incidental to the individual's service within the state; or

(c) Some of the service is performed in the state and (1) the base of operations or, if there is no base of operations, the place from which the service is directed or controlled is in the state, or (2) the base of operations or the place from which the service is directed or controlled is not in any state in which some part of the service is performed, but the individual's residence is in this state.

10. The sales factor is a fraction, the numerator of which is the total sales of the taxpayer in this state during the tax period, and the denominator of which is the total sales of the taxpayer everywhere during the tax period.

11. Sales of tangible personal property are in this state if:

(a) The property is delivered or shipped to a purchaser, other than the United States government, within this state regardless of the f.o.b. point or other conditions of the sale; or

(b) The property is shipped from an office, store, warehouse, factory, or other place of storage in this state and (1) the purchaser is the United States government or (2) the taxpayer is not taxable in the state of the purchaser.

12. Sales, other than sales of tangible personal property, are in this state if:

(a) The income-producing activity is performed in this state; or

(b) The income-producing activity is performed both in and outside this state and a greater proportion of the income-producing activity is performed in this state than in any other state, based on costs of performance.

13. If the allocation and apportionment provisions of this article do not fairly represent the extent of the taxpayer's business activity in this state, the taxpayer may petition for or the tax administrator may require, in respect to all or any part of the taxpayer's business activity, if reasonable:

(a) Separate accounting;

(b) The exclusion of any one or more of the factors;

(c) The inclusion of one or more additional factors which will fairly represent the taxpayer's business activity in this state; or

(d) The employment of any other method to effectuate an equitable allocation and apportionment of the taxpayer's income.

Article V. Elements of Sales and Use Tax Laws.

Tax Credit.

1. Each purchaser liable for a use tax on tangible personal property shall be entitled to full credit for the combined amount or amounts of legally imposed sales or use taxes paid by him with respect to the same property to another state and any subdivision thereof. The credit shall be applied first against the amount of any use tax due the state, and any unused portion of the credit shall then be applied against the amount of any use tax due a subdivision.

2. Whenever a vendor receives and accepts in good faith from a purchaser a resale or other exemption certificate or other written evidence of exemption authorized by the appropriate state or subdivision taxing authority, the vendor shall be relieved of liability for a sales or use tax with respect to the transaction.

Article VI. The Commission.

Organization and Management.

1. (a) The multistate tax commission is hereby established. It shall be composed of one "member" from each party state who shall be the head of the state agency charged with the administration of the types of taxes to which this compact applies. If there is more than one such agency the state shall provide by law for the selection of the commission member from the heads of the relevant agencies. State law may provide that a member of the commission be represented by an alternate but only if there is on file with the commission written notification of the designation and identity of the alternate. The attorney general of each party state or his designee, or other counsel if the laws of the party state specifically provide, shall be entitled to attend the meetings of the commission, but shall not vote. Such attorneys general, designees, or other counsel shall receive all notices of meetings required under paragraph 1(e) of this article.

(b) Each party state shall provide by law for the selection of representatives from its subdivisions affected by this compact to consult with the commission member from that state.

(c) Each member shall be entitled to one vote. The commission shall not act unless a majority of the members are present, and no action shall be binding unless approved by a majority of the total number of members.

(d) The commission shall adopt an official seal to be used as it may provide.

(e) The commission shall hold an annual meeting and such other regular meetings as its bylaws may provide and such special meetings as its executive committee may determine. The commission bylaws shall specify the dates of the annual and any other regular meetings, and shall provide for the giving of notice of annual, regular and special meetings. Notices of special meetings shall include the reasons therefor and an agenda of the items to be considered.

(f) The commission shall elect annually, from among its members, a chairman, a vice chairman and a treasurer. The commission shall appoint an executive director who shall serve at its pleasure, and it shall fix his duties and compensation. The

executive director shall be secretary of the commission. The commission shall make provision for the bonding of such of its officers and employees as it may deem appropriate.

(g) Irrespective of the civil service, personnel or other merit system laws of any party state, the executive director shall appoint or discharge such personnel as may be necessary for the performance of the functions of the commission and shall fix their duties and compensation. The commission bylaws shall provide for personnel policies and programs.

(h) The commission may borrow, accept or contract for the services of personnel from any state, the United States, or any other governmental entity.

(i) The commission may accept for any of its purposes and functions any and all donations and grants of money, equipment, supplies, materials and services, conditional or otherwise, from any governmental entity, and may utilize and dispose of the same.

(j) The commission may establish one or more offices for the transacting of its business.

(k) The commission shall adopt bylaws for the conduct of its business. The commission shall publish its bylaws in convenient form, and shall file a copy of the bylaws and any amendments thereto with the appropriate agency or officer in each of the party states.

(l) The commission annually shall make to the governor and legislature of each party state a report covering its activities for the preceding year. Any donation or grant accepted by the commission or services borrowed shall be reported in the annual report of the commission, and shall include the nature, amount and conditions, if any, of the donation, gift, grant or services borrowed and the identity of the donor or lender. The commission may make additional reports as it may deem desirable.

Committees.

2. (a) To assist in the conduct of its business when the full commission is not meeting, the commission shall have an executive committee of seven members, including the chairman, vice chairman, treasurer and four other members elected annually by the commission. The executive committee, subject to the provisions of this compact and consistent with the policies of the commission, shall function as provided in the bylaws of the commission.

(b) The commission may establish advisory and technical committees, membership on which may include private persons

and public officials, in furthering any of its activities. Such committees may consider any matter of concern to the commission, including problems of special interest to any party state and problems dealing with particular types of taxes.

(c) The commission may establish such additional committees as its bylaws may provide.

Powers.

3. In addition to powers conferred elsewhere in this compact, the commission shall have power to:

(a) Study state and local tax systems and particular types of state and local taxes.

(b) Develop and recommend proposals for an increase in uniformity or compatibility of state and local tax laws with a view toward encouraging the simplification and improvement of state and local tax law and administration.

(c) Compile and publish information as in its judgment would assist the party states in implementation of the compact and taxpayers in complying with state and local tax laws.

(d) Do all things necessary and incidental to the administration of its functions pursuant to this compact.

Finance.

4. (a) The commission shall submit to the governor or designated officer or officers of each party state a budget of its estimated expenditures for such period as may be required by the laws of that state for presentation to the legislature thereof.

(b) Each of the commission's budgets of estimated expenditures shall contain specific recommendations of the amounts to be appropriated by each of the party states. The total amount of appropriations requested under any such budget shall be apportioned among the party states as follows: one-tenth in equal shares; and the remainder in proportion to the amount of revenue collected by each party state and its subdivisions from income taxes, capital stock taxes, gross receipts taxes, sales and use taxes. In determining such amounts, the commission shall employ such available public sources of information as, in its judgment, present the most equitable and accurate comparisons among the party states. Each of the commission's budgets of estimated expenditures and requests for appropriations shall indicate the sources used in obtaining information employed in applying the formula contained in this paragraph.

(c) *The commission shall not pledge the credit of any party state. The commission may meet any of its obligations in whole or in part with funds available to it under paragraph 1(i) of this article, provided that the commission takes specific action setting aside such funds prior to incurring any obligation to be met in whole or in part in such manner. Except where the commission makes use of funds available to it under paragraph 1(i), the commission shall not incur any obligation prior to the allotment of funds by the party states adequate to meet the same.*

(d) *The commission shall keep accurate accounts of all receipts and disbursements. The receipts and disbursements of the commission shall be subject to the audit and accounting procedures established under its bylaws. All receipts and disbursements of funds handled by the commission shall be audited yearly by a certified or licensed public accountant and the report of the audit shall be included in and become part of the annual report of the commission.*

(e) *The accounts of the commission shall be open at any reasonable time for inspection by duly constituted officers of the party states and by any persons authorized by the commission.*

(f) *Nothing contained in this article shall be construed to prevent commission compliance with laws relating to audit or inspection of accounts by or on behalf of any government contributing to the support of the commission.*

Article VII. Uniform Regulations and Forms.

1. *Whenever any two or more party states, or subdivisions of party states, have uniform or similar provisions of law relating to an income tax, capital stock tax, gross receipts tax, sales or use tax, the commission may adopt uniform regulations for any phase of the administration of such law, including assertion of jurisdiction to tax, or prescribing uniform tax forms. The commission may also act with respect to the provisions of article IV of this compact.*

2. *Prior to the adoption of any regulation, the commission shall:*

(a) *As provided in its bylaws, hold at least one public hearing on due notice to all affected party states and subdivisions thereof and to all taxpayers and other persons who have made timely request of the commission for advance notice of its regulation-making proceedings.*

(b) *Afford all affected party states and subdivisions and interested persons an opportunity to submit relevant written*

data and views, which shall be considered fully by the commission.

3. The commission shall submit any regulations adopted by it to the appropriate officials of all party states and subdivisions to which they might apply. Each such state and subdivision shall consider any such regulation for adoption in accordance with its own laws and procedures.

Article VIII. Interstate Audits.

1. Any party state or subdivision thereof desiring to make or participate in an audit of any accounts, books, papers, records or other documents may request the commission to perform the audit on its behalf. In responding to the request, the commission shall have access to and may examine, at any reasonable time, such accounts, books, papers, records, and other documents and any relevant property or stock of merchandise. The commission may enter into agreements with party states or their subdivisions for assistance in performance of the audit. The commission shall make charges, to be paid by the state or local government or governments for which it performs the service, for any audits performed by it in order to reimburse itself for the actual costs incurred in making the audit.

2. The commission may require the attendance of any person within the state where it is conducting an audit or part thereof at a time and place fixed by it within such state for the purpose of giving testimony with respect to any account, book, paper, document, other record, property or stock of merchandise being examined in connection with the audit. If the person is not within the jurisdiction, he may be required to attend for such purpose at any time and place fixed by the commission within the state of which he is a resident, provided that such state has adopted this article.

3. The commission may apply to any court having power to issue compulsory process for orders in aid of its powers and responsibilities pursuant to this article and any and all such courts shall have jurisdiction to issue such orders. Failure of any person to obey any such order shall be punishable as contempt of the issuing court. If the party or subject matter on account of which the commission seeks an order is within the jurisdiction of the court to which application is made, such application may be to a court in the state or subdivision on behalf of which the audit is being made or a court in the state in which the object of the order being sought is situated. The provisions of this paragraph apply only to courts in a state that has adopted this article.

4. The commission may decline to perform any audit requested if it finds that its available personnel or other resources are insufficient for the purpose or that, in the terms

requested, the audit is impracticable of satisfactory performance. If the commission, on the basis of its experience, has reason to believe that an audit of a particular taxpayer, either at a particular time or on a particular schedule, would be of interest to a number of party states or their subdivisions, it may offer to make the audit or audits, the offer to be contingent on sufficient participation therein as determined by the commission.

5. Information obtained by any audit pursuant to this article shall be confidential and available only for tax purposes to party states, their subdivisions or the United States. Availability of information shall be in accordance with the laws of the states or subdivisions on whose account the commission performs the audit, and only through the appropriate agencies or officers of such states or subdivisions. Nothing in this article shall be construed to require any taxpayer to keep records for any period not otherwise required by law.

6. Other arrangements made or authorized pursuant to law for cooperative audit by or on behalf of the party states or any of their subdivisions are not superseded or invalidated by this article.

7. In no event shall the commission make any charge against a taxpayer for an audit.

8. As used in this article, "tax," in addition to the meaning ascribed to it in article II, means any tax or license fee imposed in whole or in part for revenue purposes.

Article IX. Arbitration.

1. Whenever the commission finds a need for settling disputes concerning apportionments and allocations by arbitration, it may adopt a regulation placing this article in effect, notwithstanding the provisions of article VII.

2. The commission shall select and maintain an arbitration panel composed of officers and employees of state and local governments and private persons who shall be knowledgeable and experienced in matters of tax law and administration.

3. Whenever a taxpayer who has elected to employ article IV, or whenever the laws of the party state or subdivision thereof are substantially identical with the relevant provisions of article IV, the taxpayer, by written notice to the commission and to each party state or subdivision thereof that would be affected, may secure arbitration of an apportionment or allocation, if he is dissatisfied with the final administrative determination of the tax agency of the state or subdivision with respect thereto on the ground that it would subject him to double or multiple taxation by two or more party states or subdivisions.

thereof. Each party state and subdivision thereof hereby consents to the arbitration as provided herein, and agrees to be bound thereby.

4. The arbitration board shall be composed of one person selected by the taxpayer, one by the agency or agencies involved, and one member of the commission's arbitration panel. If the agencies involved are unable to agree on the person to be selected by them, such person shall be selected by lot from the total membership of the arbitration panel. The two persons selected for the board in the manner provided by the foregoing provisions of this paragraph shall jointly select the third member of the board. If they are unable to agree on the selection, the third member shall be selected by lot from among the total membership of the arbitration panel. No member of a board selected by lot shall be qualified to serve if he is an officer or employee or is otherwise affiliated with any party to the arbitration proceeding. Residence within the jurisdiction of a party to the arbitration proceeding shall not constitute affiliation within the meaning of this paragraph.

5. The board may sit in any state or subdivision party to the proceeding, in the state of the taxpayer's incorporation, residence or domicile, in any state where the taxpayer does business, or in any place that it finds most appropriate for gaining access to evidence relevant to the matter before it.

6. The board shall give due notice of the times and places of its hearings. The parties shall be entitled to be heard, to present evidence, and to examine and cross-examine witnesses. The board shall act by majority vote.

7. The board shall have power to administer oaths, take testimony, subpoena and require the attendance of witnesses and the production of accounts, books, papers, records, and other documents, and issue commissions to take testimony. Subpoenas may be signed by any member of the board. In case of failure to obey a subpoena, and upon application by the board, any judge of a court of competent jurisdiction of the state in which the board is sitting or in which the person to whom the subpoena is directed may be found, may make an order requiring compliance with the subpoena, and the court may punish failure to obey the order as a contempt. The provisions of this paragraph apply only in states that have adopted this article.

8. Unless the parties otherwise agree the expenses and other costs of the arbitration shall be assessed and allocated among the parties by the board in such manner as it may determine. The commission shall fix a schedule of compensation for members of arbitration boards and of other allowable expenses and costs. No officer or employee of a state or local government who serves as a member of a board shall be entitled to compensation therefor unless he is required on account of his service to forego

the regular compensation attaching to his public employment, but any such board member shall be entitled to expenses.

9. *The board shall determine the disputed apportionment or allocation and any matters necessary thereto. The determinations of the board shall be final for purposes of making the apportionment or allocation, but for no other purpose.*

10. *The board shall file with the commission and with each tax agency represented in the proceeding: the determination of the board; the board's written statement of its reasons therefor; the record of the board's proceedings; and any other documents required by the arbitration rules of the commission to be filed.*

11. *The commission shall publish the determinations of boards together with the statements of the reasons therefor.*

12. *The commission shall adopt and publish rules of procedure and practice and shall file a copy of such rules and of any amendment thereto with the appropriate agency or officer in each of the party states.*

13. *Nothing contained herein shall prevent at any time a written compromise of any matter or matters in dispute, if otherwise lawful, by the parties to the arbitration proceedings.*

Article X. Entry Into Force and Withdrawal.

1. *This compact shall become effective as to any other state upon its enactment. The commission shall arrange for notification of all party states whenever there is a new enactment of the compact.*

2. *Any party state may withdraw from this compact by enacting a statute repealing the same. No withdrawal shall affect any liability already incurred by or chargeable to a party state prior to the time of such withdrawal.*

3. *No proceeding commenced before an arbitration board prior to the withdrawal of a state and to which the withdrawing state or any subdivision thereof is a party shall be discontinued or terminated by the withdrawal, nor shall the board thereby lose jurisdiction over any of the parties to the proceeding necessary to make a binding determination therein.*

Article XI. Effect on Other Laws and Jurisdictions.

Nothing in this compact shall be construed to:

(a) *Affect the power of any state or subdivision thereof to fix rates of taxation, except that a party state shall be obligated to implement article III 2 of this compact.*

(b) *Apply to any tax or fixed fee imposed for the registration of a motor vehicle or any tax on motor fuel, other than a sales tax, provided that the definition of "tax" in article VIII 9 may apply for the purposes of that article and the commissioner's powers of study and recommendation pursuant to article VI 8 may apply.*

(c) *Withdraw or limit the jurisdiction of any state or local court or administrative officer or body with respect to any person, corporation or other entity or subject matter, except to the extent that such jurisdiction is expressly conferred by or pursuant to this compact upon another agency or body.*

(d) *Supersede or limit the jurisdiction of any court of the United States.*

Article XII. Construction and Severability.

This compact shall be liberally construed so as to effectuate the purposes thereof. The provisions of this compact shall be severable and if any phrase, clause, sentence, or provision of this compact is declared to be contrary to the constitution of any state or of the United States or the applicability thereof to any government, agency, person or circumstance is held invalid, the validity of the remainder of this compact and the applicability thereof to any government, agency, person or circumstance shall not be affected thereby. If this compact shall be held contrary to the constitution of any state participating therein, the compact shall remain in full force and effect as to the remaining party states and in full force and effect as to the state affected as to all severable matters.

Sec. 2. [290.172] [COMMISSIONER OF REVENUE.]

The commissioner of revenue shall represent the state of Minnesota on the multistate tax commission. The commissioner may be represented on the commission by an alternate designated by him. The alternate shall be a deputy or assistant commissioner in the department of revenue.

Sec. 3. [290.173] [MULTISTATE COMPACT ADVISORY COMMITTEE.]

There is hereby established the multistate tax compact advisory committee composed of the commissioner of revenue or the alternate member of the commission designated by him, the attorney general or his designee, and two members of the senate, appointed by the committee on committees, and two members of the house of representatives appointed by the speaker of the house. The chairman shall be the member of the multistate tax commission, representing the state of Minnesota. The committee shall meet at the call of its chairman or at the request of a ma-

majority of its members, but in any event not less than three times in each year. The committee may consider any and all matters relating to recommendations of the multistate tax commission and the activities of the members in representing the state of Minnesota on the commission.

Sec. 4. [290.174] [INTERSTATE AUDITS.]

Article VIII of the multistate tax compact relating to interstate audits shall be in force in and with respect to the state of Minnesota.

Sec. 5. [290.175] [OPTIONAL APPORTIONMENT.]

Notwithstanding the provisions of section 1, the taxpayer may elect to apportion his income to Minnesota pursuant to this chapter, without regard to section 1, article IV.

Sec. 6. [APPROPRIATION.]

There is hereby appropriated \$175,000 to the multistate tax commission for fiscal years 1984 and 1985.

Sec. 7. [EFFECTIVE DATE.]

Sections 1 to 5 are effective the day following final enactment.

ARTICLE 10

MISCELLANEOUS

Section 1. Minnesota Statutes 1982, section 325D.32, subdivision 9, is amended to read:

Subd. 9. "Basic cost of cigarettes" means (WHICHEVER OF THE TWO FOLLOWING AMOUNTS IS LOWER, NAMELY (1) the gross invoice cost of cigarettes to the wholesaler or retailer (, AS THE CASE MAY BE, OR (2) THE LOWEST REPLACEMENT COST OF CIGARETTES TO THE WHOLESALE OR RETAILER IN THE QUANTITY LAST PURCHASED, PLUS THE FULL FACE VALUE OF ANY STAMPS WHICH MAY BE REQUIRED BY ANY CIGARETTE TAX ACT OF THIS STATE, UNLESS INCLUDED BY THE MANUFACTURER IN HIS LIST PRICE).

Sec. 2. Minnesota Statutes 1982, section 340.14, subdivision 1, is amended to read:

Subdivision 1. [HOURS AND DAYS OF SALE.] No sale of intoxicating liquor shall be made after one a.m. on Sunday,

nor until eight a.m. on Monday, nor between the hours of one a.m. and eight o'clock p.m. on the day of any statewide election. No ("ON-SALE") *on-sale* shall be made between the hours of one a.m. and eight o'clock a.m. on any weekday, *except that no on-sales may be made between the hours of two a.m. and eight o'clock a.m. during that portion of each year when advanced standard time is in effect in the municipality pursuant to section 645.071 unless specifically prohibited by municipal ordinance.* No ("OFF-SALE") *off-sale* shall be made before eight o'clock a.m. or after ten o'clock p.m. of any day. However, in cities of the first class, and in all cities located within a radius of 15 miles of a city of the first class within the same county, ("OFF-SALE") *off-sale* may be made only until eight o'clock p.m. of any day except Friday and Saturday, on which days ("OFF-SALE") *off-sale* may be made until ten o'clock p.m. No ("OFF-SALE") *off-sale* shall be made on New Years Day, January 1; Independence Day, July 4; Thanksgiving Day; or Christmas Day, December 25; but on the evenings preceding such days, if the sale of liquor is not otherwise prohibited on such evenings, ("OFF-SALES") *off-sales* may be made until ten o'clock p.m., except that no ("OFF-SALE") *off-sale* shall be made on December 24 after eight o'clock p.m. It shall be beyond the power of any municipality of this state to authorize or permit the sale of intoxicating liquors when such sale is prohibited by this section, however, any municipality may further limit the hours of sale of intoxicating liquors, provided that such further restricted hours for ("ON-SALE") *on-sale* shall apply to both intoxicating liquors and non-intoxicating malt liquors.

Sec. 3. Minnesota Statutes 1982, section 340.47, subdivision 2, is amended to read:

Subd. 2. [ON FERMENTED MALT BEVERAGES.] An excise tax is hereby assessed, imposed, and levied upon the sale, either directly or indirectly of fermented malt beverages other than for shipment in interstate or foreign commerce. Such tax shall not be imposed or collected upon fermented malt beverages given away by a brewery for consumption only upon the brewery premises, for which no charge of any kind is made or collected; nor shall fermented malt liquors distributed to brewery employees for consumption only upon the brewery premises pursuant to a contract of employment be subject to such tax. Such tax shall be levied and collected at the rate of \$2 per barrel of 31 gallons, containing not more than 3.2 percent of alcohol by weight, and a tax of \$4 per barrel of 31 gallons containing more than 3.2 percent of alcohol by weight, and at a proportional rate for fractional parts thereof. All the receipts from these taxes shall be paid into the general fund by the commissioner of revenue. Any brewer producing and selling within this state fermented malt beverages shall receive a credit of (\$2) \$2.75 per barrel on the first 75,000 barrels, regardless of alcohol content.

Sec. 4. [EFFECTIVE DATE.]

Sections 1 and 2 are effective the day following final enactment. Section 3 is effective July 1, 1983."

Delete the title and insert:

"A bill for an act relating to the operation of government in this state; modifying the definition of gross income; adopting federal definitions of itemized deductions; updating the references to the Internal Revenue Code; extending the duration of the temporary income tax surtax and changing its computation; modifying the deduction of federal income taxes; assigning certain gambling winnings by nonresidents to Minnesota; imposing withholding tax on certain gambling winnings and horse racing purses; repealing certain income tax credits for pollution control expenditures; limiting the subtraction for unemployment compensation; providing for timely payment of withholding income taxes; modifying the dependent care credit; providing for certain studies; changing the refund method for the sales tax on electricity used in agricultural production; clarifying the uses of funds from the non-game wildlife checkoff; making the six percent sales and use tax rate permanent; increasing the motor vehicle excise tax rate to six percent; modifying the enterprise zone law; providing for state tax incentives in enterprise zones; limiting the number of enterprise zones; reducing the corporate income tax rate; eliminating the deduction for certain income and franchise taxes paid by corporations; changing the deduction for corporate capital gains; providing small business investment credits; providing an additional research credit; modifying the definition of market value; requiring additional information on the certificate of value; mandating that homestead affidavits be filed in all counties; requiring that all contracts for deed be recorded; restricting the use of sales ratio studies as evidence; eliminating the agricultural mill rate credit on farm homes; increasing the agricultural mill rate credit on certain property and providing a maximum credit amount; clarifying the property classification for certain timber property; modifying the wetlands credit; modifying the utility property tax credit; changing certain property tax classification ratios; exempting contracts for deed from the mortgage registry tax and providing penalties for failure to file; exempting cities and towns with populations under 5,000 from levy limitations; modifying the method by which levy limitations are calculated; adding a special levy for certain county purposes; establishing a new homestead credit formula for certain homestead property; modifying the property tax refund formula and increasing the maximum credit; changing the payment dates for the property tax refund; altering the sales tax on liquor, wine, and beer; authorizing on-sale liquor sales until 2:00 A.M. during daylight saving time; changing the excise tax credit on fermented malt beverages; delaying the effective date of the rent capitalization method used in assessing

agricultural land; repealing the native prairie credit and reimbursement; repealing the wetlands reimbursement; modifying school district cash flow; establishing school aid payment dates for fiscal year 1985 and thereafter; requiring that property taxes be paid 15 days earlier; altering property tax settlement dates; modifying the local government aids distribution formula for counties, cities, and towns; phasing out attached machinery aids and reduced assessment aids; enacting the multi-state tax compact; changing the definition of basic cost of cigarettes for purposes of the unfair cigarette sales act; appropriating money; amending Minnesota Statutes 1982, sections 116J.42, subdivision 7; 124.2137, subdivision 1; 272.02, subdivision 1; 272.03, subdivision 8; 272.115, subdivision 1; 273.11, subdivision 1; 273.115, subdivisions 1, 2, and 3; 273.13, subdivisions 6, 6a, 7, 8a, 9, 11, 14a, 17, 17b, 17c, 20, and by adding a subdivision; 273.1312, subdivisions 2, 3, 4, and 5; 273.1313, subdivisions 1, 2, 3, and 5; 273.138, by adding a subdivision; 273.139, by adding a subdivision; 275.50, subdivision 2, and by adding subdivisions; 275.51, by adding subdivisions; 275.53, by adding a subdivision; 276.09; 276.10; 276.11; 278.01, subdivisions 1 and 2; 278.03; 278.05, subdivisions 4 and 5; 279.01, subdivision 1; 287.05, subdivision 1; 290.01, subdivisions 19, 20, 20a, as amended, 20b, as amended, and 20f; 290.05, subdivision 6; 290.06, subdivisions 1, 2e, as amended, 11, and 14; 290.067, subdivisions 1 and 2; 290.068, by adding a subdivision; 290.09, subdivisions 1, 2, 3, as amended, 4, 5, 28, and 29; 290.091; 290.14; 290.16, subdivision 4; 290.17, subdivision 2; 290.18, subdivisions 1 and 2; 290.21, subdivisions 1 and 3; 290.23, subdivision 5; 290.31, subdivisions 2 and 3; 290.39, subdivision 2; 290.431; 290.46; 290.92, subdivisions 2a, 6, and by adding subdivisions; 290A.03, subdivisions 3, 6, 8, 11, 13, as amended, and by adding a subdivision; 290A.04, subdivisions 1, 2, 2a, 2b, and 3; 290A.07, subdivision 2a; 290A.16; 290A.18; 290A.19; 297A.02, as amended; 297A.03, subdivision 2, as amended; 297A.14, as amended; 297A.35, subdivision 3; 297B.02, as amended; 325D.32, subdivision 9; 340.14, subdivision 1; 340.47, subdivision 2; 473F.08, subdivision 7a; 477A.011, subdivisions 6, 7, 10, and by adding subdivisions; 477A.012; 477A.013; 477A.014, subdivision 1; and Laws 1981, First Special Session chapter 1, article II, section 25; and Third Special Session chapter 2, article III, section 22, as amended; proposing new law coded in Minnesota Statutes, chapters 116C; 124; 273; 290; 477A; and 507; repealing Minnesota Statutes 1982, sections 273.116; 273.138, subdivisions 1, 2, 3, 4, 5, and 6; 273.139, subdivisions 1 and 2; 273.42, subdivision 2; 273.425; 275.51, subdivisions 3e and 5; 290.01, subdivisions 23, 27, and 28; 290.032, subdivision 5; 290.06, subdivisions 9 and 9a; 290.077, subdivision 2; 290.08, subdivision 25; 290.09, subdivisions 10, 15, 22, and 27; 290.21, subdivision 3a; 290.501; 290A.07, subdivision 3; 340.986; 352C.07; 477A.011, subdivisions 8 and 9; and Laws 1982, chapter 523, article VII, section 3; and Third Special Session chapter 1, article V, section 4."

With the recommendation that when so amended the bill pass.

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. No. 1259 was read for the second time.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House Files were introduced:

Schreiber, Vanasek, Halberg, Minne and Onnen introduced:

H. F. No. 1286, A bill for an act relating to taxation; providing a procedure for temporary updating of income tax references to the Internal Revenue Code in certain instances; proposing new law coded in Minnesota Statutes, chapter 290.

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

Clark, J.; Vanasek and McKasy introduced:

H. F. No. 1287, A bill for an act relating to crimes; making it unlawful to use or invest proceeds from a pattern of criminal conduct to acquire or maintain an interest in an enterprise or to establish or conduct an enterprise; making it unlawful to acquire or maintain an interest in or to conduct an enterprise through a pattern of criminal conduct; making it unlawful to conspire to engage in such conduct; providing an alternative fine; providing for the rights of innocent persons; providing civil remedies of divestiture, reasonable restrictions on future activities, dissolution or reorganization of any enterprise, revocation or suspension of licenses or permits, and forfeiture of corporation charter or revocation of certificate authorizing a foreign corporation to conduct business within this state; providing for seizure and state disposal of seized and forfeited property; providing that any aggrieved person may institute civil proceedings to seek treble damages, attorney's fees, and punitive damages; providing for discovery; providing for priority of claim; providing penalties; proposing new law coded in Minnesota Statutes, chapter 609.

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. 294, A bill for an act relating to manufactured homes; granting the right to make in park sales of homes more than 15 years old; requiring sellers to disclose manufactured home safety features; amending Minnesota Statutes 1982, sections 327C.02, subdivision 5; and 327C.07, subdivision 1, and by adding subdivisions.

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. 608, A bill for an act relating to insurance; accident and health; exempting administrators of self insured health plans established by collective bargaining agreement from certain regulatory provisions; amending Minnesota Statutes 1982, section 60A.23, subdivision 8.

PATRICK E. FLAHAVER, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Metzen moved that the House concur in the Senate amendments to H. F. No. 608 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 608, A bill for an act relating to insurance; accident and health; exempting administrators of self insured health plans established by collective bargaining agreement from certain regulatory provisions; amending Minnesota Statutes 1982, section 60A.23, subdivision 8.

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:

Anderson, B.	Battaglia	Bennett	Bishop	Burger
Anderson, G.	Beard	Bergstrom	Brandl	Carlson, D.
Anderson, R.	Begich	Berkelman	Brinkman	Carlson, L.

Clark, J.	Haukoos	Marsh	Price	Staten
Clark, K.	Heap	McDonald	Quist	Svigum
Clawson	Heinitz	McEachern	Reif	Swanson
Cohen	Himle	McKasy	Rice	Thiede
Coleman	Hoberg	Metzen	Riveness	Tomlinson
Dempsey	Hoffman	Munger	Rodosovich	Tunheim
Dimler	Hokr	Murphy	Rodriguez, C.	Uphus
Eken	Jacobs	Nelson, D.	Rodriguez, F.	Valan
Elioff	Jennings	Nelson, K.	St. Onge	Valento
Ellingson	Jensen	Neuenschwander	Sarna	Vanasek
Erickson	Johnson	Norton	Schafer	Vellenga
Evans	Kahn	O'Connor	Scheid	Voss
Findlay	Kalis	Ogren	Schoenfeld	Waltman
Fjoslien	Kelly	Olsen	Schreiber	Welch
Forsythe	Knickerbocker	Omann	Seaberg	Welker
Frerichs	Knuth	Onnen	Shaver	Welle
Craba	Kostohryz	Osthoff	Shea	Wenzel
Greenfield	Krueger	Otis	Sherman	Wigley
Cruenes	Kvam	Pauly	Simoneau	Wynia
Gustafson	Larsen	Peterson	Skoglund	Zaffke
Gutknecht	Levi	Piepho	Sparby	Speaker Sieben
Halberg	Ludeman	Piper	Stadum	

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. 166, A bill for an act relating to local government; providing for prosecution of certain gross misdemeanors; authorizing agreements between cities and counties for the prosecution of certain offenses by county attorneys; authorizing counties pursuant to agreement with cities to engage attorneys for prosecution of misdemeanors, petty misdemeanors, and violations of municipal ordinances, charters, and regulations; establishing a formula for disposition of fine proceeds; authorizing cities to pay certain witness expenses; amending Minnesota Statutes 1982, sections 169.129; 299D.03, subdivision 5; 357.13, subdivision 1; 357.23; 388.051; 388.09; 388.18, subdivision 5; 487.25, subdivision 10; 487.33, subdivisions 1 and 5; 574.34; and 609.487, by adding a subdivision; proposing new law coded in Minnesota Statutes, chapter 487.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Brinkman moved that the House concur in the Senate amendments to H. F. No. 166 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 166, A bill for an act relating to local government; providing for prosecution of certain gross misdemeanors; authorizing agreements between cities and counties for the prosecution of certain offenses by county attorneys; authorizing counties pursuant to agreement with cities to engage attorneys for prosecution of misdemeanors, petty misdemeanors, and violations of municipal ordinances, charters, and regulations; establishing a formula for disposition of fine proceeds; authorizing cities to pay certain witness expenses; amending Minnesota Statutes 1982, sections 169.121, subdivision 3; 169.129; 299D.03, subdivision 5; 357.13, subdivision 1; 388.051; 388.09; 388.18, subdivision 5; 481.17; 487.25, subdivision 10; 487.33, subdivisions 1 and 5; 488A.03, subdivision 10; 488A.10, subdivision 11; and 574.34; proposing new law coded in Minnesota Statutes, chapter 487.

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 123 yeas and 1 nay as follows:

Those who voted in the affirmative were:

Anderson, B.	Erickson	Kelly	Otis	Skoglund
Anderson, C.	Evans	Knickerbocker	Pauly	Sparby
Anderson, R.	Findlay	Knuth	Peterson	Stadum
Battaglia	Fjoslien	Kostobryz	Piepho	Staten
Beard	Forsyth	Krueger	Piper	Sviggum
Begich	Frerichs	Kvam	Price	Swanson
Bennett	Graba	Larsen	Quist	Thiede
Bergstrom	Greenfield	Levi	Reif	Tomlinson
Berkelman	Gruenes	Ludeman	Rice	Tunheim
Bishop	Gustafson	Marsh	Riveness	Uphus
Brandl	Gutknecht	McDonald	Radosovich	Valan
Brinkman	Halberg	McEachern	Rodriguez, C.	Valento
Burger	Haukoos	McKasy	Rodriguez, F.	Vanasek
Carlson, D.	Heap	Metzen	St. Onge	Vellenga
Carlson, L.	Heimitz	Murphy	Sarna	Waltman
Clark, J.	Himle	Nelson, D.	Schafer	Welch
Clark, K.	Hoberg	Nelson, K.	Scheid	Welker
Clawson	Hoffman	Neuenschwander	Schoenfeld	Welle
Cohen	Hokr	Norton	Schreiber	Wenzel
Coleman	Jacobs	O'Connor	Seaberg	Wigley
Dempsey	Jennings	Ogren	Segal	Wynia
Dimler	Jensen	Olsen	Shaver	Zaffke
Eken	Johnson	Omam	Shea	Speaker Sieben
Elioff	Kahn	Onnen	Sherman	
Ellingson	Kalis	Osthoff	Simoneau	

Those who voted in the negative were:

Voss

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

Dempsey was excused for the remainder of today's session.

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. 606, A bill for an act relating to civil commitment; clarifying the definition of person mentally ill and dangerous to the public; clarifying the commissioner's duty to review the correspondence rights of patients; providing for informal admissions of persons under 16 years of age; providing for special emergency admissions of chemically dependent persons; clarifying the role of examiners in certain instances; removing the 60-day hearing requirement for mentally retarded persons; providing for involuntary return to a facility after revocation of provisional discharges; providing for 60-day hearings for persons committed as mentally ill and dangerous; changing the time limitation on certain special review board petitions; authorizing the commissioner to accept admissions to regional centers from the Indian Health Service; amending Minnesota Statutes 1982, sections 253B.02, subdivisions 5, 13, 17, and 18; 253B.03, subdivision 2; 253B.04, subdivision 1; 253B.05, subdivision 2, and by adding a subdivision; 253B.06; 253B.07, subdivisions 1, 3, and 4; 253B.12, subdivisions 1, 3, 4, and by adding a subdivision; 253B.13, subdivision 1; 253B.15, subdivisions 5, 6, and 7; 253B.18, subdivisions 2, 3, 5, and 13; 253B.19, subdivision 5; 253B.22, subdivision 1; 253B.23, by adding a subdivision; and Laws 1982, chapter 581, section 26; proposing new law coded in Minnesota Statutes, chapter 253B.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Clawson moved that the House concur in the Senate amendments to H. F. No. 606 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 606, A bill for an act relating to civil commitment; clarifying the definition of person mentally ill and dangerous to the public; clarifying the commissioner's duty to review the correspondence rights of patients; providing for informal admissions of persons under 16 years of age; providing for special emergency admissions of chemically dependent persons; clarifying the role of examiners in certain instances; providing for involuntary return to a facility after revocation of provisional discharges; providing for 60-day hearings for persons committed as mentally ill and dangerous; changing the time limitation on certain special review board petitions; authorizing the

commissioner to accept admissions to regional centers from the Indian Health Service; amending Minnesota Statutes 1982, sections 253B.02, subdivisions 5, 13, 17, and 18; 253B.03, subdivisions 2 and 6; 253B.04, subdivision 1; 253B.05, subdivision 2, and by adding a subdivision; 253B.06; 253B.07, subdivisions 1, 3, and 4; 253B.12, subdivision 1; 253B.13, subdivision 1; 253B.15, subdivisions 5, 6, and 7; 253B.18, subdivisions 2, 3, 5, and 13; 253B.19, subdivision 5; 253B.22, subdivision 1; 253B.23, by adding a subdivision; and Laws 1982, chapter 581, section 26; proposing new law coded in Minnesota Statutes, chapter 253B.

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 1 nay as follows:

Those who voted in the affirmative were:

Anderson, B.	Findlay	Knuth	Pauly	Stadum
Anderson, G.	Fjoslien	Kostohryz	Peterson	Staten
Battaglia	Forsythe	Krueger	Piepho	Sviggum
Beard	Frerichs	Kvam	Piper	Swanson
Begich	Graba	Larsen	Price	Thiede
Bennett	Greenfield	Levi	Quist	Tomlinson
Bergstrom	Gruenes	Ludeman	Reif	Tunheim
Berkelman	Gustafson	Marsh	Rice	Uphus
Bishop	Gutknecht	McDonald	Rivness	Valan
Brandl	Halberg	McEachern	Rodosovich	Valento
Brinkman	Haukoos	McKasy	Rodriguez, C.	Vanasek
Burger	Hcap	Metzen	Rodriguez, F.	Vellenga
Carlson, D.	Heinitz	Munger	St. Onge	Voss
Carlson, L.	Himle	Murphy	Sarna	Waltman
Clark, J.	Hoberg	Nelson, D.	Schafer	Welch
Clark, K.	Hoffman	Nelson, K.	Scheid	Welker
Clawson	Hokr	Neuenschwander	Schreiber	Welle
Cohen	Jacobs	Norton	Seaberg	Wenzel
Coleman	Jennings	O'Connor	Segal	Wigley
Dimler	Jensen	Ogren	Shaver	Wynia
Eken	Johnson	Olsen	Shea	Zaffke
Elioff	Kahn	Omann	Sherman	Speaker Sieben
Ellingson	Kalis	Onnen	Simoneau	
Erickson	Kelly	Osthoff	Skoglund	
Evans	Knickerbocker	Otis	Sparby	

Those who voted in the negative were:

Anderson, R.

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. 290, A bill for an act relating to health maintenance organizations; authorizing a local governmental unit to operate as a health maintenance organization; requiring the establishment of an advisory body to the organization; amending Minnesota Statutes 1982, sections 62D.02, subdivision 4, and by adding a subdivision; 62D.03, subdivisions 1 and 4; 62D.05, subdivision 1; and 62D.06, subdivision 1.

PATRICK E. FLAHAVER, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Staten moved that the House concur in the Senate amendments to H. F. No. 290 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 290, A bill for an act relating to health maintenance organizations; authorizing a local governmental unit to operate as a health maintenance organization; requiring the establishment of an advisory body to the organization; requiring a report to the legislature; amending Minnesota Statutes 1982, sections 62D.02, subdivision 4, and by adding a subdivision; 62D.03, subdivisions 1 and 4; 62D.05, subdivision 1; and 62D.06, 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 113 yeas and 7 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Ellingson	Knickerbocker	Osthoff	Sherman
Anderson, G.	Erickson	Knuth	Otis	Simoneau
Anderson, R.	Evans	Kostohryz	Pauly	Skoglund
Battaglia	Findlay	Krueger	Peterson	Sparby
Beard	Fjoslien	Kvam	Piepho	Stadum
Begich	Forsythe	Larsen	Piper	Staten
Bennett	Graba	Levi	Price	Sviggum
Bergstrom	Greenfield	Marsh	Quist	Swanson
Berkelman	Gruenes	McDonald	Reif	Tomlinson
Bishop	Gustafson	McEachern	Rice	Tunheim
Brandl	Gutknecht	McKasy	Riveness	Uphus
Brinkman	Halberg	Metzen	Rodosovich	Valan
Burger	Haukoos	Munger	Rodriguez, C.	Vanasek
Carlson, D.	Heap	Murphy	Rodriguez, F.	Vellenga
Carlson, L.	Heinitz	Nelson, D.	St. Onge	Voss
Clark, J.	Himle	Nelson, K.	Sarna	Waltman
Clark, K.	Hoberg	Neuenschwander	Scheid	Welch
Clawson	Jacobs	Norton	Schoenfeld	Wenzel
Cohen	Jensen	O'Connor	Schreiber	Wynia
Coleman	Johnson	Ogren	Seaberg	Zaffke
Dimler	Kahn	Olsen	Segal	Speaker Sieben
Eken	Kalis	Omann	Shaver	
Elioff	Kelly	Onnen	Shea	

Those who voted in the negative were:

Frerichs	Ludeman	Welker	Welle	Wigley
Jennings	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. 463, A bill for an act relating to municipal planning and zoning; authorizing the establishment of a joint planning board; requiring the filing of copies of certain documents; amending Minnesota Statutes 1982, sections 462.3585; and 462.36, subdivision 1.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Pauly moved that the House concur in the Senate amendments to H. F. No. 463 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 463, A bill for an act relating to municipal planning and zoning; requiring the filing of copies of certain documents; amending Minnesota Statutes 1982, section 462.36, 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 120 yeas and 3 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Burger	Erickson	Haukoos	Kelly
Anderson, G.	Carlson, D.	Evans	Heap	Knickerbocker
Anderson, R.	Carlson, L.	Findlay	Heinitz	Knuth
Battaglia	Clark, J.	Fjoslien	Himle	Kostohryz
Beard	Clark, K.	Forsythe	Hoberg	Krueger
Begich	Clawson	Frerichs	Hoffman	Kvam
Bennett	Cohen	Graba	Hokr	Larsen
Bergstrom	Coleman	Greenfield	Jacobs	Levi
Berkelman	Dimler	Gruenes	Jennings	Ludeman
Bishop	Eken	Gustafson	Jensen	Marsh
Brandl	Elioff	Cutknecht	Johnson	McEachern
Brinkman	Ellingson	Halberg	Kalis	McKasy

Metzen	Osthoff	Rodriguez, C.	Simoneau	Valento
Munger	Otis	Rodriguez, F.	Skoglund	Vanasek
Murphy	Pauly	St. Onge	Sparby	Vellenga
Nelson, D.	Peterson	Sarna	Stadum	Voss
Nelson, K.	Piepho	Scheid	Staten	Waltman
Neuenschwander	Piper	Schoenfeld	Swiggum	Welch
Norton	Price	Schreiber	Swanson	Welle
O'Connor	Quist	Seaberg	Thiede	Wenzel
Ogren	Reif	Segal	Tomlinson	Wigley
Olsen	Rice	Shaver	Tunheim	Wynia
Omann	Riveness	Shea	Uphus	Zaffke
Onnen	Rodosovich	Sherman	Va'an	Speaker Sieben

Those who voted in the negative were:

McDonald Schafer Welker

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. 1092, A bill for an act relating to motor vehicles; allowing the holder of personalized license plates to retain the same number after the personalized plates have been damaged, lost, or stolen; amending Minnesota Statutes 1982, section 168.12, subdivision 2a.

PATRICK E. FLAHAVER, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Norton moved that the House concur in the Senate amendments to H. F. No. 1092 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 1092, A bill for an act relating to motor vehicles; allowing the holder of personalized license plates to retain the same number after the personalized plates have been damaged, lost, or stolen; amending Minnesota Statutes 1982, section 168.12, subdivision 2a.

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:

Anderson, B.	Evans	Knickerbocker	Otis	Stadum
Anderson, C.	Findlay	Knuth	Pauly	Staten
Anderson, R.	Fjoslien	Kostohryz	Peterson	Sviggum
Battaglia	Forsythe	Krueger	Piepho	Swanson
Beard	Frerichs	Kvam	Piper	Thiede
Begich	Graba	Larsen	Price	Tomlinson
Bennett	Greenfield	Levi	Quist	Tunheim
Bergstrom	Gruenes	Ludeman	Reif	Uphus
Berkelman	Gustafson	Marsh	Rice	Valan
Bishop	Gutknecht	McDonald	Riveness	Valento
Brandl	Halberg	McEachern	Rodosovich	Vanasek
Brinkman	Haukoos	McKasy	Rodriguez, C.	Vellenga
Burger	Heap	Metzen	Rodriguez, F.	Voss
Carlson, D.	Heinitz	Munger	St. Onge	Waltman
Carlson, L.	Himle	Murphy	Sarna	Welch
Clark, J.	Hoberg	Nelson, D.	Schafer	Welker
Clark, K.	Hoffman	Nelson, K.	Scheid	Welle
Clawson	Hokr	Neuenschwander	Schoenfeld	Wenzel
Cohen	Jacobs	Norton	Schreiber	Wigley
Coleman	Jennings	O'Connor	Seaberg	Wynia
Dimler	Jensen	Ogren	Segal	Zaffke
Eken	Johnson	Olsen	Sherman	Speaker Sieben
Elioff	Kahn	Omann	Simoneau	
Ellingson	Kalis	Onnen	Skoglund	
Erickson	Kelly	Osthoff	Sparby	

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. 1147, A bill for an act relating to local government; permitting the cities of Richfield and Bloomington to implement an energy conservation program; authorizing the financing of a residential energy conservation program; requiring a report to the legislature.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Riveness moved that the House concur in the Senate amendments to H. F. No. 1147 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 1147, A bill for an act relating to local government; permitting the cities of Richfield and Bloomington to implement an energy conservation program; authorizing the financing of a residential energy conservation program; requiring a report to the legislature.

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

The question was taken on the repassage of the bill and the roll was called. There were 112 yeas and 9 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Erickson	Kalis	Omann	Sherman
Anderson, G.	Evans	Kelly	Onnen	Simoneau
Anderson, R.	Findlay	Knickerbocker	Osthoff	Skoglund
Battaglia	Fjoslien	Knuth	Otis	Sparby
Beard	Forsythe	Kostohryz	Pauly	Stadum
Begich	Frerichs	Krueger	Peterson	Staten
Bennett	Graba	Kvam	Piper	Swanson
Bergstrom	Greenfield	Larsen	Price	Tomlinson
Berkelman	Gruenes	Levi	Quist	Tunheim
Bishop	Gustafson	Marsh	Reif	Uphus
Brandl	Gutknecht	McDonald	Rice	Valan
Brinkman	Halberg	McEachern	Riveness	Vanasek
Burger	Haukoos	McKasy	Rodosovich	Vellenga
Carlson, L.	Heap	Metzen	Rodriguez, C.	Voss
Clark, J.	Heinitz	Munger	Rodriguez, F.	Waltman
Clark, K.	Himle	Murphy	St. Onge	Welch
Clawson	Hoberg	Nelson, D.	Sarna	Wenzel
Cohen	Hoffman	Nelson, K.	Scheid	Wigley
Coleman	Hokr	Neuenschwander	Schoenfeld	Wynia
Dimler	Jacobs	Norton	Seaberg	Speaker Sieben
Eken	Jensen	O'Connor	Segal	
Elioff	Johnson	Ogren	Shaver	
Ellingson	Kahn	Olsen	Shea	

Those who voted in the negative were:

Jennings	Piepho	Schreiber	Valento	Zaffke
Ludeman	Schafer	Sviggum	Welker	

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. 798, A bill for an act relating to tax-forfeited land; authorizing the sale of a certain tract within the city of Orono.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Burger moved that the House concur in the Senate amendments to H. F. No. 798 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 798, A bill for an act relating to public land; authorizing the sale of certain tracts of tax-forfeited land within the city of Orono and St. Louis County; authorizing sale of a certain tract of trust fund land in Itasca 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 121 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Findlay	Knuth	Peterson	Stadum
Anderson, G.	Fjoslien	Kostohryz	Picpho	Staten
Anderson, R.	Forsythe	Krueger	Piper	Sviggun
Battaglia	Frerichs	Kvam	Price	Swanson
Beard	Graba	Larsen	Quist	Thiede
Begich	Greenfield	Levi	Reif	Tomlinson
Bennett	Gruenes	Ludeman	Rice	Tunheim
Bergstrom	Gustafson	Marsh	Riveness	Uphus
Berkeiman	Gutknecht	McDonald	Rodosovich	Valan
Bishop	Halberg	McEachern	Rodriguez, C.	Valento
Brandl	Haukoos	McKasy	Rodriguez, F.	Vanasek
Brinkman	Heap	Metzen	St. Onge	Vellenga
Burger	Heinritz	Murphy	Sarna	Voss
Carlson, L.	Himle	Nelson, D.	Schafer	Waltman
Clark, J.	Hoberg	Nelson, K.	Scheid	Welch
Clark, K.	Hoffman	Neuenschwander	Schoenfeld	Welker
Clawson	Hokr	Norton	Schreiber	Wenzel
Cohen	Jacobs	O'Connor	Seaberg	Wigley
Coleman	Jennings	Ogren	Segal	Wynia
Dimler	Jensen	Olsen	Shaver	Zaffke
Eken	Johnson	Omann	Shea	Speaker Sieben
Elioff	Kahn	Onnen	Sherman	
Ellingson	Kalis	Osthoff	Simoneau	
Erickson	Kelly	Otis	Skoglund	
Evans	Knickerbocker	Pauly	Sparby	

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. 749, A bill for an act relating to the city of Fergus Falls; authorizing the city to issue general obligations to finance a solid waste disposal facility.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Anderson, R., moved that the House concur in the Senate amendments to H. F. No. 749 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 749, A bill for an act relating to the city of Fergus Falls; authorizing the city to issue general obligations to finance a solid waste disposal facility.

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

The question was taken on the repassage of the bill and the roll was called. There were 121 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Findlay	Knuth	Pauly	Sparby
Anderson, G.	Fjoslien	Kostohryz	Peterson	Stadum
Anderson, R.	Forsythe	Krueger	Piepho	Staten
Battaglia	Frerichs	Kvam	Piper	Swanson
Beard	Graba	Larsen	Price	Thiede
Begich	Greenfield	Levi	Quist	Tomlinson
Bennett	Gruenes	Ludeman	Reif	Tunheim
Bergstrom	Gustafson	Marsh	Rice	Uphus
Berkelman	Gutknecht	McDonald	Riveness	Valan
Bishop	Halberg	McEachern	Rodosovich	Valento
Brandl	Haukoos	McKasy	Rodriguez, C.	Vanasek
Brinkman	Heap	Metzen	Rodriguez, F.	Vellenga
Burger	Heinitz	Munger	St. Onge	Voss
Carlson, D.	Himle	Murphy	Sarna	Waltman
Carlson, L.	Hoberg	Nelson, D.	Schafer	Welch
Clark, J.	Hoffman	Nelson, K.	Scheid	Welker
Clark, K.	Hokr	Neuenschwander	Schoenfeld	Wenzel
Clawson	Jacobs	Norton	Schreiber	Wigley
Cohen	Jennings	O'Connor	Seaberg	Wynia
Coleman	Jensen	Ogren	Segal	Zaffke
Dimler	Johnson	Olsen	Shaver	Speaker Sieben
Eken	Kahn	Omann	Shea	
Elioff	Kalis	Onnen	Sherman	
Erickson	Kelly	Osthoff	Simoneau	
Evans	Knickerbocker	Otis	Skoglund	

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. 491, A bill for an act relating to administrative rulemaking; providing for consideration of and participation

by small business; proposing new law coded in Minnesota Statutes, chapter 14.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Otis moved that the House concur in the Senate amendments to H. F. No. 491 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 491, A bill for an act relating to administrative rule-making; providing for consideration of and participation by small business; proposing new law coded in Minnesota Statutes, chapter 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 118 yeas and 1 nay as follows:

Those who voted in the affirmative were:

Anderson, B.	Erickson	Kelly	Osthoff	Simoneau
Anderson, G.	Evans	Knickerbocker	Otis	Skoglund
Anderson, R.	Findlay	Knuth	Pauly	Sparby
Battaglia	Fjoslien	Kostohryz	Peterson	Stadum
Beard	Forsythe	Krueger	Piepho	Staten
Begich	Frerichs	Kvam	Piper	Sviggum
Bennett	Graba	Larsen	Price	Swanson
Bergstrom	Greenfield	Levi	Quist	Tomlinson
Berkelman	Gruenes	Ludeman	Reif	Tunheim
Bishop	Gustafson	Marsh	Rice	Uphus
Brandl	Gutknecht	McDonald	Rodosovich	Valan
Brinkman	Halberg	McEachern	Rodriguez, C.	Valento
Burger	Haukoos	McKasy	Rodriguez, F.	Vanasek
Carlson, D.	Heap	Metzen	St. Onge	Vellenga
Carlson, L.	Heinitz	Murphy	Sarna	Voss
Clark, J.	Himle	Nelson, D.	Schafer	Waltman
Clark, K.	Hoberg	Nelson, K.	Scheid	Welch
Clawson	Hoffman	Neuenschwander	Schoenfeld	Wenzel
Cohen	Hokr	Norton	Schreiber	Wigley
Coleman	Jacobs	O'Connor	Seaberg	Wynia
Dimler	Jensen	Ogren	Segal	Zaffke
Eken	Johnson	Olsen	Shaver	Speaker Sieben
Elioff	Kahn	Omann	Shea	
Ellingson	Kalis	Onnen	Sherman	

Those who voted in the negative were:

Welker

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. 140, A bill for an act relating to public utilities; requiring public utilities to consider customer schedule needs when reading nonaccessible meters; proposing new law coded in Minnesota Statutes, chapter 216B.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Skoglund moved that the House concur in the Senate amendments to H. F. No. 140 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 140, A bill for an act relating to public utilities; requiring public utilities to consider customer schedule needs when reading nonaccessible meters; proposing new law coded in Minnesota Statutes, chapter 216B.

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

The question was taken on the repassage of the bill and the roll was called. There were 121 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Erickson	Kahn	Ogren	Schreiber
Anderson, G.	Evans	Kalis	Olsen	Seaberg
Anderson, R.	Findlay	Kelly	Omann	Segal
Battaglia	Fjoslien	Knickerbocker	Onnen	Shaver
Beard	Forsythe	Knuth	Osthoff	Shea
Begich	Frerichs	Kostohryz	Otis	Sherman
Bennett	Graba	Krueger	Pauly	Simoneau
Bergstrom	Greenfield	Kvam	Peterson	Skoglund
Berkelman	Gruenes	Larsen	Piepho	Sparby
Bishop	Gustafson	Levi	Piper	Stadum
Brandl	Gutknecht	Ludeman	Price	Staten
Brinkman	Halberg	Marsh	Quist	Swanson
Burger	Haukoos	McDonald	Reif	Thiede
Carlson, D.	Heap	McEachern	Rice	Tomlinson
Carlson, L.	Heinitz	McKasy	Riveness	Tunheim
Clark, J.	Himle	Metzen	Rodosovich	Uphus
Clark, K.	Hoberg	Munger	Rodriguez, C.	Vaian
Clawson	Hoffman	Murphy	Rodriguez, F.	Valento
Cohen	Hokr	Nelson, D.	St. Onge	Vanasek
Coleman	Jacobs	Nelson, K.	Sarna	Vellenga
Eken	Jennings	Neuenschwander	Schafer	Voss
Elioff	Jensen	Norton	Scheid	Waitman
Ellingson	Johnson	O'Connor	Schoenfeld	Welch

Welker
Wenzel

Wigley

Wynia

Zaffke

Speaker Sieben

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. 745, A bill for an act relating to the administrative procedure act; requiring certain notices to be sent to the legislative commission to review administrative rules; clarifying the duties of the revisor of statutes with respect to approving the form of administrative rules; increasing the time period for adopting a rule when reviews by other agencies are necessary; establishing a deadline for agency action with respect to rules adopted without public hearing; clarifying other provisions of the act; amending Minnesota Statutes 1982, sections 14.07; 14.08; 14.12; 14.14, subdivision 1; 14.15, subdivisions 1, 3, and 4; 14.17; 14.18; 14.19; 14.21; 14.22; 14.26; 14.32; 14.47, subdivisions 1, 5, and 8; and 14.52.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Berkelman moved that the House concur in the Senate amendments to H. F. No. 745 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 745, A bill for an act relating to the administrative procedure act; requiring certain notices to be sent to the legislative commission to review administrative rules; clarifying the duties of the revisor of statutes with respect to approving the form of administrative rules; increasing the time period for adopting a rule when reviews by other agencies are necessary; establishing a deadline for agency action with respect to rules adopted without public hearing; clarifying other provisions of the act; amending Minnesota Statutes 1982, sections 14.07; 14.08; 14.12; 14.14, subdivision 1; 14.15, subdivisions 1, 3 and 4; 14.17; 14.18; 14.19; 14.21; 14.22; 14.26; 14.32; 14.47, subdivisions 1, 5, and 8; and 14.52.

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:

Anderson, B.	Findlay	Knuth	Pauly	Sparby
Anderson, G.	Fjoslien	Kostohryz	Peterson	Stadum
Anderson, R.	Forsythe	Krueger	Piepho	Staten
Battaglia	Frerichs	Kvam	Piper	Sviggum
Beard	Graba	Larsen	Price	Swanson
Begich	Greenfield	Levi	Quist	Thiede
Bennett	Cruenes	Ludeman	Reif	Tomlinson
Bergstrom	Gustafson	Marsh	Rice	Tunheim
Berkelman	Gutknecht	McDonald	Rivness	Uphus
Bishop	Halberg	McEachern	Rodosovich	Valan
Brandl	Haukoos	McKasy	Rodriguez, C.	Valento
Brinkman	Heap	Metzen	Rodriguez, F.	Vanasek
Burger	Heinitz	Munger	St. Onge	Vellenga
Carlson, L.	Himle	Murphy	Sarna	Voss
Clark, J.	Hoberg	Nelson, D.	Schafer	Waltman
Clark, K.	Hoffman	Nelson, K.	Scheid	Welch
Clawson	Hokr	Neuenschwander	Schoenfeld	Welker
Cohen	Jacobs	Norton	Schreiber	Wenzel
Coleman	Jennings	O'Connor	Seaberg	Wigley
Dimler	Jensen	Ogren	Segal	Wynia
Eken	Johnson	Olsen	Shaver	Zaffke
Elioff	Kahn	Omann	Shea	Speaker Sieben
Ellingson	Kalis	Onnen	Sherman	
Erickson	Kelly	Osthoff	Simoneau	
Evans	Knickerbocker	Otis	Skoglund	

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 File, herewith transmitted:

S. F. No. 989.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

S. F. No. 641.

PATRICK E. FLAHAVEN, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 989, A bill for an act relating to collection and dissemination of data; classifying government data as public, private, and nonpublic; clarifying issues relating to classifications of data, access to data, the effect of death of individuals on classifications, and the temporary classification of data; refining provisions of the data practice act; amending Minnesota Stat-

utes 1982, sections 13.02, subdivision 8, and by adding a subdivision; 13.03, subdivisions 3 and 4, and by adding subdivisions; 13.04, subdivision 2; 13.05, subdivisions 3, 7, 9, and 10, and by adding a subdivision; 13.06, subdivisions 1 and 6; 13.31, subdivision 2; 13.41, by adding a subdivision; 13.43, subdivision 2; 13.44; 13.46, subdivision 2, and by adding subdivisions; 13.67; 144.335, subdivision 2; and 253B.03, subdivision 8; proposing new law coded in Minnesota Statutes, chapter 13.

The bill was read for the first time.

Ellingson moved that S. F. No. 989 and H. F. No. 894, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 641, A bill for an act relating to insurance and the operation of motor vehicles; prohibiting reparation obligors from prorating the disability and income loss benefits on a daily basis; prohibiting unsafe operation of motorcycles; regulating the crime of driving without the required security; providing penalties; amending Minnesota Statutes 1982, sections 65B.44, subdivision 3; 65B.67, subdivision 2, and by adding a subdivision; and 169.974, subdivision 5; repealing Minnesota Statutes 1982, section 65B.67, subdivision 3.

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

CONSIDERATION UNDER RULE 1.10

Pursuant to rule 1.10, Rice requested immediate consideration of H. F. No. 1283.

SUSPENSION OF RULES

Pursuant to Article IV, Section 19, of the Constitution of the state of Minnesota, Rice moved that the rule therein be suspended and an urgency be declared so that H. F. No. 1283 be given its third reading and be placed upon its final passage. The motion prevailed.

Rice moved that the rules of the House be so far suspended that H. F. No. 1283 be given its third reading and be placed upon its final passage. The motion prevailed.

H. F. No. 1283 was reported to the House.

Simoneau was excused for the remainder of today's session.

Sherman, Gruenes, Piepho, Marsh, Halberg and Ludeman moved to amend H. F. No. 1283, as follows:

Page 12, line 18, delete "103,534,600 103,304,900" and insert "105,690,600 107,742,200"

The question was taken on the amendment and the roll was called. There were 36 yeas and 78 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Halberg	Ludeman	Schafer	Waltman
Bergstrom	Heinitz	Marsh	Shea	Wenzel
Carlson, D.	Himle	Olsen	Sherman	Wigley
Evans	Hoberg	Omann	Stadum	Zaffke
Findlay	Jennings	Onnen	Sviggum	
Fjoslien	Johnson	Osthoff	Thiede	
Gruenes	Knickerbocker	Piepho	Uphus	
Gutknecht	Kvam	Reif	Valan	

Those who voted in the negative were:

Battaglia	Elioff	Larsen	Quinn	Sparby
Beard	Ellingson	Levi	Quist	Staten
Begich	Graba	McDonald	Rice	Swanson
Berkelman	Greenfield	Munger	Rodosovich	Tomlinson
Brandl	Gustafson	Murphy	Rodriguez, C.	Tunheim
Brinkman	Haukoos	Nelson, D.	Rodriguez, F.	Valento
Burger	Heap	Nelson, K.	Rose	Vanasek
Carlson, L.	Hoffman	Neuenschwander	St. Onge	Vellenga
Clark, J.	Jacobs	Norton	Sarna	Voss
Clark, K.	Jensen	O'Connor	Scheid	Welch
Clawson	Kahn	Ogren	Schoenfeld	Welker
Cohen	Kalis	Otis	Schreiber	Welle
Coleman	Kelly	Pauly	Seaberg	Wynia
DenOuden	Knuth	Peterson	Segal	Speaker Sieben
Dimler	Kostohryz	Piper	Shaver	
Eken	Krueger	Price	Skoglund	

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

Himle moved to amend H. F. No. 1283, as follows:

Page 28, after line 17, insert:

"(c) When adding new programs, each system should consider the impact additional instructional costs will have on tuition."

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

Welker moved to amend H. F. No. 1283, as follows:

Page 16, delete lines 18 to 47

A roll call was requested and properly seconded.

The question was taken on the amendment and the roll was called. There were 30 yeas and 80 nays as follows:

Those who voted in the affirmative were:

Burger	Fjoslien	Kvam	Piepho	Valan
Carlson, D.	Graba	Ludeman	Schafer	Voss
DenOuden	Gutknecht	Marsh	Sherman	Waltman
Dimler	Jennings	McDonald	Stadum	Welker
Evans	Johnson	McKasy	Swiggum	Wigley
Findlay	Krueger	Omann	Uphus	Zaffke

Those who voted in the negative were:

Anderson, B.	Ellingson	Kostohryz	Pauly	Segal
Anderson, R.	Forsythe	Larsen	Peterson	Shaver
Battaglia	Greenfield	McEachern	Piper	Skoglund
Beard	Gruenes	Metzen	Price	Sparby
Begich	Gustafson	Munger	Quinn	Swanson
Bennett	Heap	Murphy	Quist	Thiede
Berkelman	Heinitz	Nelson, D.	Reif	Tomlinson
Brandl	Himle	Nelson, K.	Riveness	Tunheim
Brinkman	Hoberg	Neuenschwander	Rodosovich	Valento
Carlson, L.	Hoffman	Norton	Rodriguez, F.	Vanasek
Clark, J.	Jacoba	O'Connor	Rose	Vellenga
Clark, K.	Jensen	Ogren	St. Onge	Welch
Cohen	Kahn	Olsen	Sarna	Welle
Coleman	Kalis	Onnen	Scheid	Wenzel
Eken	Knickerbocker	Osthoff	Schoenfeld	Wynia
Elioff	Knuth	Otis	Seaberg	Speaker Sieben

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

Schafer moved to amend H. F. No. 1283, as follows:

Page 17, line 23, delete "50,438,000 53,368,800" and insert "48,788,000 51,118,800"

Page 20, delete lines 26 and 27

Renumber accordingly

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

McDonald moved to amend H. F. No. 1283, as follows:

Page 17, after line 7, insert:

"It is the intent of the Legislature that no funds from these appropriations be expended to support or fund in any way through the use of university facilities, or otherwise, Pro Marx-

ist or Communist classes whose purposes is to promote or to place in a favorable light the ideology of Marxist-Leninism or Communism."

A roll call was requested and properly seconded.

Vanasek moved to lay the McDonald amendment to H. F. No. 1283 on the table. The motion prevailed and the amendment was laid on the table.

Sviggum moved to amend H. F. No. 1283, as follows:

Page 16, line 23, delete the period and insert "and to encourage more physicians to practice in the rural areas of Minnesota."

Page 16, line 33, after "1983." insert "The study should also include plans for increasing the number of doctors in rural areas in need of doctors as identified by the higher education coordinating board."

Page 16, line 37, delete the period and insert "and the rural physician problem."

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

H. F. No. 1283, A bill for an act relating to the organization and operation of state government; appropriating money for education and related purposes to the department of education, higher education coordinating board, state university board, state community college board, University of Minnesota, and the Mayo medical foundation, with certain conditions; establishing a state board of vocational technical education; providing it and certain independent and intermediate school districts operating vocational technical schools with certain powers and duties; changing the authority and duties of the above named agencies, or one or more of them, or certain of their advisory councils with respect to governance, duration of existence, disposition of property, employment and compensation of personnel, tuition, institutional closings, gifts, appropriations, parking fees, scholarships, grants-in-aid, planning, hospital charges, and related educational matters; amending Minnesota Statutes 1982, sections 43A.18, subdivision 4; 120.17, subdivision 7a; 121.212, subdivision 2; 121.931, subdivision 7; 121.934, subdivision 2; 123.742, by adding a subdivision; 123.743; 124.48; 125.05, by adding a subdivision; 136.03; 136.034; 136.11, subdivision 1; 136.144; 136.62, by adding a subdivision; 136.63, subdivision 1a; 136.67, by adding a subdivision; 136A.121; 136A.14; 136A.141; 136A.143; 136A.15; 136A.16; 136A.17; 136A.26; 136A.29, subdivisions 2 and 9; 136A.42; and 158.05; proposing new law coded in Minnesota Statutes, chapters 136 and 136A; propos-

ing new law coded as Minnesota Statutes, chapter 135A; and 136C; repealing Minnesota Statutes 1982, sections 121.11, subdivision 1; 121.217; 121.902, subdivision 1a; 121.936, subdivision 6; 124.53; 136A.144; 136A.145; 136A.146; 136A.161; 136A.18; 136A.19; 136A.20; 136A.21; and 136A.22.

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 107 yeas and 18 nays as follows:

Anderson, B.	Ellingson	Knuth	Peterson	Skoglund
Anderson, G.	Erickson	Kostohryz	Piepho	Sparby
Anderson, R.	Evans	Krueger	Piper	Staten
Battaglia	Fjoslien	Larsen	Price	Swanson
Beard	Forsythe	Levi	Quinn	Thiede
Begich	Frerichs	Marsh	Quist	Tomlinson
Bennett	Graba	McEachern	Reif	Tunheim
Bergstrom	Greenfield	McKasy	Rice	Valan
Berkelman	Gruenes	Metzen	Riveness	Valento
Bishop	Gustafson	Munger	Rodosovich	Vanasek
Brandl	Gutknecht	Murphy	Rodriguez, C.	Vellenga
Brinkman	Halberg	Nelson, D.	Rodriguez, F.	Voss
Burger	Haukoos	Nelson, K.	Rose	Welch
Carlson, D.	Heap	Neuenschwander	St. Orige	Welle
Carlson, L.	Himle	Norton	Sarna	Wenzel
Clark, J.	Hoberg	O'Connor	Scheid	Wigley
Clark, K.	Hoffman	Ogren	Schoenfeld	Wynia
Clawson	Jacobs	Omamm	Schreiber	Zaffke
Cohen	Jensen	Onnen	Seaberg	Speaker Sieben
Coleman	Kahn	Osthoff	Segal	
Eken	Kalis	Otis	Shaver	
Elioff	Kelly	Pauly	Shea	

Those who voted in the negative were:

DenOuden	Hokr	Kvam	Sherman	Waltman
Dimler	Jennings	Ludeman	Stadum	Welker
Findlay	Johnson	Olsen	Sviggum	
Heinitz	Knickerbocker	Schafer	Uphus	

The bill was passed and its title agreed to.

SPECIAL ORDERS

Eken moved that the bills on Special Orders for today be continued one day. The motion prevailed.

GENERAL ORDERS

Eken moved that the bills on General Orders for today be continued one day. The motion prevailed.

MOTIONS AND RESOLUTIONS

Knickerbocker moved that H. F. No. 701 be returned to its author. The motion prevailed.

Erickson; Munger; Carlson, L.; Haukoos and Frerichs introduced:

House Resolution No. 11, A house resolution commending Philip C. Helland upon his retirement for his lifetime of service to the people of Minnesota.

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

ADJOURNMENT

Eken moved that when the House adjourns today it adjourn until 2:00 p.m., Monday, May 9, 1983. The motion prevailed.

Eken moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 2:00 p.m., Monday, May 9, 1983.

EDWARD A. BURDICK, Chief Clerk, House of Representatives

STATE OF MINNESOTA

SEVENTY-THIRD SESSION - 1983

FORTY-NINTH DAY

SAINT PAUL, MINNESOTA, MONDAY, MAY 9, 1983

The House of Representatives convened at 2:00 p.m. and was called to order by Harry A. Sieben, Jr., Speaker of the House.

Prayer was offered by Father William P. Schimek, retired Pastor St. Theresa, Mapleton, Minnesota.

The roll was called and the following members were present:

Anderson, B.	Erickson	Kostohryz	Pauly	Solberg
Anderson, G.	Evans	Krueger	Peterson	Sparby
Anderson, R.	Findlay	Kvam	Piepho	Stadum
Battaglia	Fjoslien	Larsen	Piper	Staten
Beard	Forsythe	Levi	Price	Sviggum
Begich	Frerichs	Long	Quinn	Swanson
Bennett	Graba	Ludeman	Quist	Thiede
Bergstrom	Greenfield	Mann	Redalen	Tomlinson
Berkelman	Gruenes	Marsh	Reif	Uphus
Bishop	Gustafson	McDonald	Rice	Valan
Blatz	Gutknecht	McEachern	Riveness	Valento
Brandl	Haukoos	McKasy	Rodosovich	Vanasek
Brinkman	Heap	Metzen	Rodriguez, C.	Vellenga
Burger	Heinitz	Minne	Rodriguez, F.	Voss
Carlson, D.	Himle	Munger	Rose	Waltman
Carlson, L.	Hoberg	Murphy	St. Onge	Welch
Clark, J.	Hoffman	Nelson, D.	Sarna	Welker
Clark, K.	Hokr	Nelson, K.	Schafer	Welle
Clawson	Jacobs	Neuenschwander	Scheid	Wenzel
Cohen	Jennings	Norton	Schoenfeld	Wigley
Coleman	Jensen	O'Connor	Schreiber	Wynia
Dempsey	Johnson	Ogren	Seaberg	Zaffke
DenOuden	Kahn	Olsen	Segal	Speaker Sieben
Dimler	Kalis	Omann	Shaver	
Eken	Kelly	Onnen	Shea	
Elioff	Knickerbocker	Osthoff	Simoneau	
Ellingson	Knuth	Otis	Skoglund	

A quorum was present.

Sherman was excused.

Halberg was excused until 2:30 p.m. Tunheim was excused until 4:00 p.m.

The Chief Clerk proceeded to read the Journal of the preceding day. Rice 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. No. 1259 and S. F. Nos. 641 and 989 have been placed in the members' files.

S. F. No. 989 and H. F. No. 894, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Ellingson moved that the rules be so far suspended that S. F. No. 989 be substituted for H. F. No. 894 and that the House File be indefinitely postponed. The motion prevailed.

REPORTS OF STANDING COMMITTEES

Rice from the Committee on Appropriations to which was referred:

H. F. No. 77, A bill for an act relating to horse racing; creating a Minnesota racing commission and providing for its membership, powers, and duties; authorizing the licensing of persons to operate racetracks, conduct horse racing, engage in certain occupations and conduct pari-mutuel betting on horse racing; prescribing taxes and license fees; establishing a Minnesota breeders fund; providing penalties; appropriating money; amending Minnesota Statutes 1982, sections 38.04; 273.76, by adding a subdivision; 609.75, subdivision 3; and 609.761; proposing new law coded as Minnesota Statutes, chapter 240.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [240.01] [DEFINITIONS.]

Subdivision 1. [TERMS.] For the purposes of this act the terms defined in this section have the meanings given them.

Subd. 2. [HORSE RACING.] "Horse racing" is any form of horse racing in which horses carry a rider or pull a sulky.

Subd. 3. [PERSON.] "Person" is an individual, firm, association, partnership, corporation, trustee, or legal representative, and any licensee, participant, or patron.

Subd. 4. [COMMISSION.] "Commission" is the Minnesota racing commission.

Subd. 5. [PARI-MUTUEL BETTING.] "Pari-mutuel betting" is the system of betting on horse races where those who bet on horses that finish in the position or positions for which bets are taken share in the total amounts bet, less deductions required or permitted by law.

Subd. 6. [BREAKAGE.] "Breakage" is the odd cents of all money to be distributed based on each dollar bet exceeding a sum equal to the next lowest multiple of ten.

Subd. 7. [STRAIGHT POOLS AND BETS.] "Straight pool" is a licensed pari-mutuel pool in which each ticket represents a bet to win, place, or show. A "straight bet" is a bet in a straight pool.

Subd. 8. [MULTIPLE POOLS AND BETS.] "Multiple pool" is a licensed pari-mutuel pool other than a straight pool. A "multiple bet" is a bet in a multiple pool.

Subd. 9. [LICENSED RACETRACK.] "Licensed racetrack" is a racetrack at which horse racing is conducted on the premises and which holds a class A or class D license issued by the commission.

Subd. 10. [RACING DAY.] "Racing day" is a day assigned by the commission as a racing day, and on which racing is conducted.

Subd. 11. [RACING MEETING.] "Racing meeting" is a series of days in which racing days are not separated by more than five non-racing days.

Sec. 2. [240.02] [RACING COMMISSION.]

Subdivision 1. [COMMISSION CREATED.] A Minnesota racing commission is established with the powers and duties specified in this act. The commission consists of five members appointed by the governor with the advice and consent of the senate and the house acting separately. Not more than three of the members may belong to the same political party. The governor shall designate the chairman of the commission. 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 and the house acting separately.

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 his or her place on the commission, file a bond in the principal sum of \$100,000 payable to the state, conditioned upon the faithful performance of his or her duties. No commission member, nor any member of his or her immediate family, 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.

Subd. 3. [COMPENSATION.] The compensation of commission members is \$35 per day spent on commission activities, when authorized by the commission, plus expenses in the same manner and amount as provided in the commissioner's plan adopted according to section 43A.18, subdivision 2.

Subd. 4. [REMOVAL; VACANCIES.] The removal of commission members is as provided in section 15.0575.

Subd. 5. [ACTIONS.] The commission may sue and be sued in its own name, but no action may be brought against the commission or any of its members for actions taken in good faith in the performance of their duties. The attorney general is the legal counsel for the commission.

Subd. 6. [ANNUAL REPORT.] The commission shall once each year report to the governor and legislature on its activities, organizational structure, receipts and disbursements, and recommendations for changes in the laws relating to racing and pari-mutuel betting.

Sec. 3. [240.03] [COMMISSION POWERS AND DUTIES.]

The commission has the following powers and duties:

- (1) to regulate horse racing in Minnesota to ensure that it is conducted in the public interest;
- (2) to issue licenses as provided in this act;
- (3) to enforce all laws and rules governing horse racing;
- (4) to collect and distribute all taxes provided for in this act;
- (5) to conduct necessary investigations and inquiries and compel the submission of information, documents, and records it deems necessary to carry out its duties;

- (6) to supervise the conduct of pari-mutuel betting on horse racing;
- (7) to employ and supervise personnel under this act;
- (8) to determine the number of racing dates to be held in the state and at each track;
- (9) to take all necessary steps to ensure the integrity of racing in Minnesota.

Sec. 4. [240.04] [EMPLOYEES.]

Subdivision 1. [EXECUTIVE SECRETARY.] The commission shall appoint an executive secretary, who is its chief administrative officer and who serves at its pleasure in the unclassified service. He shall devote full time to his duties, which are:

(a) to 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, to 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) to act as the commission's chief personnel officer and supervise the employment, conduct, duties, and discipline of commission employees; and

(d) to perform other duties as directed by the commission.

Subd. 2. [INSPECTOR OF PARI-MUTUELS.] The commission shall employ an inspector of pari-mutuels who serves in the unclassified service at the commission's pleasure. He shall, while employed by the commission, devote full time to his duties, which are:

(a) to supervise all forms of pari-mutuel betting on horse racing in the state;

(b) to inspect all machinery;

(c) to make reports on pari-mutuel betting as the commission directs;

(d) subject to commission approval, to appoint deputy inspectors to perform duties the commission designates; and

(e) to perform other duties as directed by the commission.

Subd. 3. [CHIEF OF SECURITY.] The commission shall appoint a chief of racing security to serve in the unclassified service at the commission's pleasure. He shall devote full time to his duties while employed by the commission. The chief of racing security is responsible for enforcing all laws and commission rules relating to the security and integrity of racing. He 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 chief of security may order a licensee to take, at the licensee's expense, security measures he determines necessary to protect the integrity of racing, but such an order may be appealed to the commission. Nothing in this act prohibits law enforcement authorities and agents from entering, in the performance of their duties, a premises licensed under this act.

Subd. 4. [MEDICAL SERVICES.] The commission shall appoint a medical officer who shall be a doctor of veterinary medicine and who serves at its pleasure in the unclassified service. He shall, while employed by the commission, devote full time to his duties, which are:

(a) to supervise the formulation, administration, and evaluation of all medical tests the commission's rules require or authorize;

(b) to advise the commission on all aspects of veterinary medicine relating to its powers and duties; and

(c) to supervise all personnel involved in medical testing, subject to the supervision of the executive secretary.

The commission may obtain medical services as required by contract with an institution which teaches animal health sciences within the state. If no medical officer is appointed, his duties may be assigned to the executive secretary.

Subd. 5. [OTHER EMPLOYEES.] Subject to applicable laws, the commission shall employ and assign duties to other officers, employees, and agents as it deems necessary to discharge its functions.

Subd. 6. [COMPENSATION.] The compensation of all commission employees shall be as provided in chapter 43A.

Subd. 7. [ASSISTANCE.] The commission may request assistance from any department or agency of the state in fulfilling

its duties, and shall make appropriate reimbursement for all such assistance.

Sec. 5. [240.05] [LICENSES; CLASSES.]

Subdivision 1. [CLASSES.] The commission may issue four classes of licenses:

(a) class A licenses, for the ownership and operation of a racetrack with horse racing on which pari-mutuel betting is conducted;

(b) class B licenses, for the sponsorship and management of horse racing on which pari-mutuel betting is conducted;

(c) class C licenses, for the privilege of engaging in certain occupations related to horse racing; and

(d) class D licenses, for the conduct of pari-mutuel horse racing by county agricultural societies or associations.

No person may engage in any of the above activities without first having obtained the appropriate license from the commission.

Subd. 2. [FORMS.] All application forms for licenses must contain a statement to the effect that by accepting a license from the commission a licensee consents to having his property or person subject to inspection at any time by the chief of racing security or by security officers designated by the commission.

Subd. 3. [POLICY.] It is the intent of the legislature that authority granted by law to the commission to issue licenses not be construed as requiring the commission to issue any license.

Sec. 6. [240.06] [RACETRACK LICENSES.]

Subdivision 1. [APPLICATION.] The commission may issue one or more class A licenses, but not more than one to any one person. An application for a class A license must be on a form the commission prescribes and must be accompanied by detailed plans and specifications of the track, buildings, fences, and other improvements. The application must contain:

(a) the name and address of the applicant and, if it is a corporation, the names of all officers, directors, and stockholders of the corporation and any of its holding corporations;

(b) if required by the commission, the names of any person or persons holding directly, indirectly, or beneficially an interest of any kind in the applicant or any of its holding corporations,

whether the interest is financial, administrative, policy-making, or supervisory;

(c) a statement of the assets and liabilities of the applicant; and

(d) a sworn statement executed by the applicant setting forth that no officer, director, or other person with a present or future direct or indirect financial or management interest in the racetrack, to the best of the applicant's knowledge:

(1) is in default in the payment of an obligation or debt to the state under this act;

(2) has ever been convicted of a felony in a state or federal court or has a state or federal felony charge pending;

(3) is or has been connected with or engaged in any illegal business;

(4) has ever been found guilty of fraud or misrepresentation in connection with racing or breeding;

(5) has ever been found guilty of a violation of a law or rule in any racing jurisdiction for which a license revocation has been or could have been imposed; or

(6) has ever knowingly violated a rule or order of the commission or a law of Minnesota relating to racing.

Subd. 2. [HEARINGS.] Before granting an initial class A license application the commission shall hold one or more public hearings in the area where the racetrack is or will be located. The commission shall also request comments on the application from the city council of the city where the track is or will be located, or from the county board if it is to be located outside a municipality, and from the appropriate regional development commission or the metropolitan council, as the case may be.

Subd. 3. [INVESTIGATION.] Before granting an initial class A license the commission shall conduct, or request 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 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 on class A licensees and applicants.

Subd. 4. [LICENSE ISSUANCE.] If after considering the information received at the hearing or hearings and the com-

ments requested under subdivision 2, the commission determines that the license will not adversely affect the public health, welfare, and safety, that the race track will be operated in accordance with all applicable laws and rules, that the license will not create a competitive situation that will adversely affect racing and the public interest, and that the applicant is financially able to operate a licensed racetrack, it may issue a class A license to the applicant. The license is effective until revoked or suspended by the commission or relinquished by the licensee.

Subd. 5. [PROHIBITED LOCATIONS.] A class A license may not be issued to any location where the operation of a racetrack is prohibited by a valid local zoning ordinance.

Subd. 6. [CHANGES IN OWNERSHIP OR MANAGEMENT.] If a change in the officers, directors, stockholders, or other persons with a present or future direct or indirect financial or management interest in the licensee, or a change of ownership of more than five percent of the licensee's stock is made after the initial application or license issuance, the applicant or licensee must notify the commission of the changes within five days of their occurrence and provide the affidavit required by subdivision 1.

Subd. 7. [LICENSE SUSPENSION AND REVOCATION.] The commission may revoke a class A license for a violation of law, order, or rule which in the commission's opinion adversely affects the integrity of horse racing in Minnesota, or for an intentional false statement made in a license application, or for a willful failure to pay any money required to be paid by this act.

The commission may suspend a class A license for up to one year for a violation of law, order, or rule, and may suspend a class A license indefinitely if it determines that the licensee has as an officer, director, stockholder, or other person with a direct, indirect, or beneficial interest a person who is in the commission's opinion inimical to the integrity of horse racing in Minnesota or who cannot be certified under subdivision 1, clause (d).

A license revocation or suspension under this subdivision, or a refusal to renew a class A license, is a contested case under sections 14.57 to 14.70 of the administrative procedure act, and is in addition to criminal penalties imposed for a violation of law or rule.

Subd. 8. [WORK AREAS.] A class A licensee must accept and provide suitable work areas for commission members, officers, employees, and agents who are directed by the commission to supervise and control racing at the licensed racetrack at no cost to the commission.

Sec. 7. [240.07] [RACING LICENSES.]

Subdivision 1. [APPLICATION.] The commission may issue one or more class B licenses for the sponsorship and management of horse racing at licensed racetracks. An application for a class B license must be on a form the commission prescribes, and must be accompanied by a bond in the principal amount of \$500,000 payable to the state of Minnesota conditioned on the licensee's payment of all fees, taxes, and other money due and payable under this act, including horse owner's purses and payouts on winning pari-mutuel tickets.

The application must contain:

(a) the name and address of the applicant and, if it is a corporation or association, the names of all officers, directors, and stockholders, including those of any of its holding companies;

(b) if required by the commission, the names of any person or persons holding, directly, indirectly, or beneficially, an interest of any kind in the applicant or any of its holding companies, whether the interest is financial, administrative, policy-making, or supervisory;

(c) a statement of the assets and liabilities of the applicant; and

(d) a sworn statement of the type described in section 6, subdivision 1, clause (d).

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 6, subdivision 3. The commission has access to all criminal history data compiled by the bureau of criminal apprehension on class B licensees and applicants.

Subd. 3. [LICENSE ISSUANCE.] If after considering the information received from the hearing and investigations, the commission determines that the applicant will conduct horse racing in accordance with all applicable laws and rules, will not adversely affect the public health, welfare, and safety, that the license will not create a competitive situation that will adversely affect racing and the public interest and is fit to sponsor and manage racing, the commission may issue a class B license. The license is for a period of one year.

Subd. 4. [RENEWAL.] The commission may renew a class B license without a hearing unless it determines a hearing to be necessary.

Subd. 5. [CHANGES IN OWNERSHIP.] If a change in the officers, directors, or other persons with a direct or indirect financial or management interest in the licensee, or a change of ownership of more than five percent of the licensee's stock is made after the initial application or license issuance, the applicant or licensee must notify the commission of the changes within five days of their occurrence and provide the affidavit required in subdivision 1.

Subd. 6. [LICENSE SUSPENSION AND REVOCATION.] Suspension, revocation, and refusal to renew a class B license is as provided in section 6, subdivision 7.

Subd. 7. [MULTIPLE LICENSES.] A person may simultaneously hold one class A and one class B license.

Sec. 8. [240.08] [OCCUPATION LICENSES.]

Subdivision 1. [AUTHORITY.] The commission may issue class C occupational licenses to persons who wish to be employed in horse racing where pari-mutuel betting is conducted as:

- (a) horse owners or lessees;*
- (b) jockeys or drivers;*
- (c) exercise workers;*
- (d) grooms;*
- (e) trainers and their assistants;*
- (f) pari-mutuel personnel;*
- (g) security officers;*
- (h) other occupations the commission by rule determines require licensing to ensure the integrity of horse racing in Minnesota.*

Subd. 2. [APPLICATION.] An application for a class C license must be on a form the commission prescribes and must be accompanied by an affidavit of qualification that the applicant:

- (a) is not in default in the payment of an obligation or debt to the state under this act;*
- (b) has never been convicted of a felony in a state or federal court and does not have a state or federal felony charge pending;*
- (c) is not and never has been connected with or engaged in an illegal business;*

(d) has never been found guilty of fraud or misrepresentation in connection with racing or breeding;

(e) has never been found guilty of a violation of law or rule in any racing jurisdiction for which a license revocation has been or could have been imposed;

(f) has never knowingly violated a rule or order of the commission or a law of Minnesota relating to racing.

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 in investigating applicants. The commission may by rule require that an applicant be fingerprinted or furnish his fingerprints. Investigations must be conducted and their costs paid in the manner prescribed by section 6, 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 for which he is applying. The commission has access to all criminal history data compiled by the bureau of criminal apprehension on class C applicants and licensees.

Subd. 4. [LICENSE ISSUANCE AND RENEWAL.] If the commission determines that the applicant has sufficient qualifications for the occupation for which licensing is sought and will not adversely affect the public health, welfare, and safety or the integrity of racing in Minnesota, it may issue a class C license to the applicant. If it makes a similar finding for a renewal of a class C license it may renew the license. Class C licenses are effective for one year.

Subd. 5. [REVOCAION AND SUSPENSION.] The commission may revoke a class C license for a violation of law or rule which in the commission's opinion adversely affects the integrity of horse racing in Minnesota, or for an intentional false statement made in a license application.

The commission may suspend a class C license for up to one year for a violation of law, order or rule.

The commission may delegate to its designated agents the authority to impose suspensions of class C licenses, and the suspension may be appealed to the commission according to its rules.

A license revocation or suspension is a contested case under sections 14.57 to 14.70 of the administrative procedure act and is in addition to criminal penalties imposed for a violation of law or rule.

Sec. 9. [240.09] [COUNTY FAIR LICENSES.]

Subdivision 1. [APPLICATION.] The commission may issue class D licenses to county agricultural societies or associations incorporated under chapter 38 or nonprofit corporations in existence on April 21, 1951 and operating fairs, to conduct and manage, on their own fairgrounds, horse racing on which pari-mutuel betting is conducted. An application for a class D license must be on a form the commission prescribes and must be accompanied by a certified copy of a resolution of the county board of the county where racing is to be conducted stating that it has reviewed the license application and does not object to it. An application for a class D license must be accompanied by detailed plans and specifications of the track, buildings, fences, and other improvements.

Subd. 2. [OCCUPATIONAL LICENSES.] A person who participates in the management or conduct of horse racing or pari-mutuel betting for a county fair holding a class C license who is in an occupation listed in section 8, subdivision 1 must have a class C license from the commission except for active members as defined in section 349.12 of nonprofit organizations who act without compensation as concession workers or pari-mutuel clerks.

Subd. 3. [HEARING.] Before granting an initial application for a class D license, the commission must hold at least one public hearing in the county where the license is to be issued, and if the racetrack to be licensed is within a city, it must also request comments on the application from the city council.

Subd. 4. [ISSUANCE.] If after considering the information received at the hearing or hearings and considering the comments requested under subdivision 3, the commission determines that the license will not adversely affect the public health, welfare, and safety and that the racing to be licensed will be conducted in accordance with all applicable laws and rules, it may issue a class D license to the applicant. The license is for a period of one year.

Subd. 5. [RENEWAL.] The commission may renew a class D license without a hearing unless it determines a hearing is necessary.

Subd. 6. [REVOCAION AND SUSPENSION.] Revocation and suspension of class D licenses, and refusals to renew class D licenses, are as provided in section 6, subdivision 7.

Sec. 10. [240.10] [LICENSE FEES.]

The fee for a class A license is \$10,000 per year. The fee for a class B license is \$100 for each assigned racing day on which

racing is actually conducted. The fee for a class D license is \$50 for each assigned racing day on which racing is actually conducted. Fees imposed on class B and class D licenses must be paid to the commission at the same time and in the same manner as payments due under section 15, subdivision 2.

The commission shall by rule establish an annual license fee for each occupation it licenses under section 8 but no annual fee for a class C license may exceed \$100.

License fee payments received must be paid by the commission to the state treasurer for deposit in the general fund.

Sec. 11. [240.11] [LICENSES NONTRANSFERABLE.]

A license issued under this act may not be transferred.

Sec. 12. [240.12] [LICENSE AGREEMENTS.]

The commission may enter into agreements with comparable bodies in other racing jurisdictions for the mutual recognition of occupational licenses issued by each body. The commission may by rule provide for and may charge a fee for the registration of each license issued in another jurisdiction.

Sec. 13. [240.13] [PARI-MUTUEL BETTING.]

Subdivision 1. [AUTHORIZED.] Class B and class D licenses give the licensees authority to conduct pari-mutuel betting on the results of races run at the licensed racetrack, and on other races as authorized by the commission under subdivision 6.

Subd. 2. [REQUIREMENTS.] A licensee conducting pari-mutuel betting must provide at the licensed track:

(a) the necessary equipment for issuing pari-mutuel tickets; and

(b) mechanical or electronic equipment for displaying information the commission requires. All mechanical or electronic devices must be approved by the commission before being used.

Subd. 3. [TYPES OF BETTING.] The commission shall by rule designate those types of pari-mutuel pools which are permitted at licensed racetracks, and no licensee may conduct any type of pari-mutuel pool which has not been so designated.

Subd. 4. [TAKEOUT; DISTRIBUTION OF WINNINGS.] A licensee conducting pari-mutuel betting must deduct from a straight pari-mutuel pool, before payments to holders of winning tickets, an amount equal to 16 percent of the total money in that pool. The licensee must deduct from a multiple pari-

mutuel pool, before payments to the holders of winning tickets, an amount equal to 22 percent of the total money in that pool. The remaining money in each pool must be distributed among the holders of winning tickets in a manner the commission by rule prescribes for each type of pool. Breakage must be computed on the basis of payoffs rounded down to the next lowest increment of 20 cents, with a minimum payoff of \$2.20 on a \$2 ticket, except that the licensee may reduce the minimum payoff to \$2.10 on a \$2 ticket if there is not a sufficient amount in a pool to make a minimum payoff of \$2.20.

Subd. 5. [PURSES.] From the amounts deducted from all pari-mutuel pools by a licensee, an amount equal to five percent of all money in all pools must be set aside by the licensee and used for purses for races conducted by him. The commission may by rule provide for the administration and enforcement of this subdivision.

Subd. 6. [TELEVISED RACES.] The commission may by rule permit a class B or class D licensee to conduct on the premises of the licensed racetrack pari-mutuel betting on horse races run in other states and broadcast by television on the premises. All provisions of law governing pari-mutuel betting apply to pari-mutuel betting on televised races except as otherwise provided in this subdivision or in the commission's rules. Pari-mutuel pools conducted on such televised races may consist only of money bet on the premises and may not be commingled with any other pool off the premises, except that:

(a) the licensee may pay a fee to the person or entity conducting the race for the privileges of conducting pari-mutuel betting on the race, and

(b) the licensee may pay the costs of transmitting the broadcast of the race.

Pari-mutuel betting on a televised race may be conducted only on a racing day assigned by the commission. The takeout and taxes on pari-mutuel pools on televised races are as provided for other pari-mutuel pools. All televised races under this subdivision must comply with the Interstate Horse Racing Act of 1978 or found in United States Code, title 15, section 3001 and the following relevant sections, as amended through December 31, 1983.

Subd. 7. [TIME LIMIT FOR PAYMENTS.] The licensee must pay off on an uncashed ticket presented for payment within 90 days of the end of the racing meeting during which it was issued. A ticket not presented for payment within that period is an unredeemed ticket and shall be reported to the commission as provided in section 15, subdivision 5.

Subd. 8. [PROHIBITED ACTS.] A licensee may not accept a bet from any person under the age of 18 years; and a licensee may not accept a bet of less than \$2.

Sec. 14. [240.14] [RACING DAYS.]

Subdivision 1. [ASSIGNMENT OF RACING DAYS.] The commission shall assign racing days to each racetrack licensee authorized to conduct racing with pari-mutuel betting, and a licensee may conduct racing with pari-mutuel betting only on a racing day assigned by the commission. The commission may assign racing days for up to three years beyond the year in which the assignment is made. Assignments of racing days in any year must be made by July 1 of the previous year, except that it may assign dates after that date to a licensee whose license is issued after that date.

Subd. 2. [HEARING.] A public hearing is required before the commission may:

- (a) make an assignment of racing days;
- (b) revise the assignment during the year; or
- (c) assign racing days to a licensee whose license is issued after the initial assignment.

The commission may without a hearing assign one additional racing day to a licensee for each originally assigned racing day during the same racing meeting on which racing was not conducted for reasons beyond the licensee's control.

Subd. 3. [COUNTY FAIR RACING DAYS.] The commission may assign to a class D licensee only those racing days, not to exceed ten racing days, which coincide with the days on which the licensee's county fair is running or the weekend preceding or following the county fair.

Subd. 4. [RESCINDING OF RACING DAYS.] The commission may, after a public hearing, rescind one or more racing days assigned to a licensee if it determines that the licensee has not met or will not meet the terms of his license. A day or days so rescinded may be reassigned to another licensee.

Sec. 15. [240.15] [PAYMENTS TO STATE.]

Subdivision 1. [TAXES IMPOSED.] (a) There is imposed on the total amount bet on all pari-mutuel pools on each racing day a tax at the following rates:

- (1) For each racing day in a calendar year on which the total amount bet, together with the total amount bet at the same li-

censed racetrack in all previous racing days in the same calendar year does not exceed \$48,000,000, 1-3/4 percent of the total amount bet in all pari-mutuel pools.

(2) For each racing day in a calendar year after the racing day on which the total amount bet in all pari-mutuel pools at the same licensed racetrack in the same calendar year exceeds \$48,000,000, six percent of the total amount bet in all pari-mutuel pools.

In addition to the above tax, the licensee must designate and pay to the commission a tax for deposit in the Minnesota breeders fund, at the following rates:

(1) For racing days on which the state tax under clause (a) (1) is 1-3/4 percent, one-half percent of the total amount bet in all pari-mutuel pools.

(2) For racing days on which the state tax under clause (a) (2) is six percent, one percent of the total amount bet in all pari-mutuel pools.

The taxes imposed by this clause must be paid from the amounts permitted to be withheld by a licensee under section 13, subdivision 4.

(b) The commission shall impose on each paid admission to each licensed racetrack on a racing day a tax of 40 cents. It may impose an additional admissions tax of not more than ten cents at any licensed racetrack if:

(1) the additional tax is requested by a local unit of government within whose borders the track is located;

(2) a public hearing is held on the request; and

(3) the commission finds that the local unit of government requesting the additional tax is in need of its revenue to meet extraordinary expenses caused by the racetrack.

Subd. 2. [PAYMENT.] The licensee must remit the tax to the commission or its representative within seven days of the day on which it was collected. In addition to the tax and at that time the licensee must pay to the commission or its representative a sum equal to one-half the total breakage for each racing day during the period for which the tax is paid. The payments must be accompanied by a detailed statement of the remittance on a form the commission prescribes. The commission may by rule provide for the direct deposit of required payments in the commission's account in a financial institution within the state

and for determining the time of applicability of different tax rates under subdivision 1.

Subd. 3. [TAX EXCLUSIVE.] *The tax imposed by subdivision 1 is in lieu of any tax or license fee, other than taxes on real property, imposed by a political subdivision and in lieu of any other sales or excise tax imposed by the state on racetrack admissions or pari-mutuel pools or pari-mutuel ticket sales.*

Subd. 4. [REPORTS.] *Within 100 days of the end of a racing meeting a licensee subject to the tax imposed by subdivision 1 must file with the commission a certified statement of receipts from all sources during the racing meeting and of expenses and disbursements, itemized on a form the commission prescribes after consultation with the state auditor, showing the licensee's net revenues from all sources. The statement must be prepared by a certified public accountant in accordance with generally accepted auditing standards.*

Subd. 5. [UNREDEEMED TICKETS.] *Not later than 100 days after the end of a racing meeting a licensee who sells pari-mutuel tickets must remit to the commission or its representative an amount equal to the total value of unredeemed tickets from the racing meeting. The remittance must be accompanied by a detailed statement of the money on a form the commission prescribes.*

Subd. 6. [DISPOSITION OF PROCEEDS.] *The commission shall distribute all money received under this section, and all money received from license fees and fines it collects, as follows: all money designated for deposit in the Minnesota breeders fund must be paid into that fund for distribution under section 18. Revenue from an additional admissions tax imposed under subdivision 1 must be paid to the local unit of government at whose request it was imposed, at times and in a manner the commission determines. All other revenues received under this section by the commission, and all license fees, fines, and other revenue it receives, must be paid to the state treasurer for deposit in the general fund.*

Sec. 16. [240.16] [STEWARDS.]

Subdivision 1. [POWERS AND DUTIES.] *All horse races run at a licensed racetrack must be presided over by a board of three stewards, who must be appointees of the commission or persons approved by it. The commission shall designate one steward as chairman. At least two stewards for all races shall be employees of the commission. The commission may delegate the following duties and powers to a board of stewards:*

(a) *to ensure that races are run in accordance with the commission's rules;*

(b) to supervise the conduct of racing to ensure the integrity of the sport;

(c) to settle disputes arising from the running of horse races, and to certify official results;

(d) to impose on licensees, for violation of law or commission rules, fines not exceeding \$500 and license suspensions not exceeding 30 days;

(e) to recommend to the commission where warranted penalties in excess of those in clause (d);

(f) to otherwise enforce the laws and rules of racing; and

(g) to perform other duties and have other powers assigned by the commission.

Subd. 2. [APPEALS; HEARINGS.] A ruling of a board of stewards may be appealed to the commission or be reviewed by it on its own initiative. The commission may provide for appeals to be heard by less than a quorum of the commission. A hearing on a penalty imposed by a board of stewards must be granted on request.

Subd. 3. [PROCEDURAL POWERS.] A board of stewards has the authority to administer oaths, issue subpoenas, order the production of documents and other evidence, and regulate the course of hearings before it, according to the commission's rules. Hearings held by a board of stewards are not subject to the provisions of the Administrative Procedure Act except those provisions which the commission by rule makes applicable.

Subd. 4. [RULES.] In addition to rules under subdivision 3, the commission may promulgate rules governing the qualifications, appointment, approval, authority, removal, and compensation of stewards.

Subd. 5. [COSTS.] The commission may require that a licensee reimburse it for the costs of providing a state-paid steward or stewards to supervise racing at the licensee's race-track.

Sec. 17. [240.17] [LOCAL OPTION.]

Subdivision 1. [CITIES.] An initial issuance of a class A license for a location in a city is not effective until it has been approved by a majority vote of the city council. Failure to act on a license within 30 days of its referral to a city council by the commission constitutes approval.

Subd. 2. [TOWNS.] An initial issuance of a class A license for a location in a town is not effective until it has been approved by a majority vote of the town board. Failure to act on a license within 30 days of its referral to the town board by the commission constitutes approval.

Subd. 3. [UNORGANIZED TERRITORY.] An issuance of a class A license for a location in unorganized territory is not effective until it has been approved by a majority vote of the county board. Failure to act on a license within 30 days of its referral to the county board by the commission constitutes approval.

Sec. 18. [240.18] [BREEDERS FUND.]

The commission shall establish a Minnesota breeders fund with the money paid to it under section 15, subdivision 1. The commission, after paying the costs of administering the fund, shall distribute the net proceeds as follows:

(1) Twenty percent of the remaining money in the fund must be expended as grants for equine research at public institutions of post-secondary learning within the state.

(2) After deducting the amount for (1), the balance of the fund shall be apportioned into categories corresponding with the various breeds of horses which raced at licensed Minnesota racetracks in the previous year, in proportion to each category's contribution to the fund. The funds in each category may be expended by the commission to:

(a) supplement purses for races held exclusively for Minnesota-bred or Minnesota-owned horses, as those terms are defined by the commission;

(b) pay breeders or owners awards to the breeders or owners of Minnesota-bred horses which win money at licensed racetracks in the state; and

(c) provide other financial incentives to encourage the horse breeding industry in Minnesota.

The commission shall adopt rules governing the distribution of the fund. The commission may establish advisory committees to advise it on the distribution of money under this section, provided that the members of an advisory committee shall serve without compensation.

Sec. 19. [240.19] [CONTRACTS.]

The commission shall by rule require that all contracts entered into by a class A, class B, or class D licensee for the provision

of goods or services, including concessions contracts, be subject to commission approval. The commission may require a contract holder to submit to it documents and records the commission deems necessary to evaluate the contract.

Sec. 20. [240.20] [APPEALS.]

Appeals from a decision of the commission must be made in the manner prescribed by sections 14.63 to 14.68.

Sec. 21. [240.21] [RIGHT OF INSPECTION.]

The commission and its representatives have the right to inspect the licensed premises of a licensee and to examine his books and other records at any time without a search warrant.

Sec. 22. [240.22] [FINES.]

The commission may impose a fine on a licensee for a violation of its rules or of a law relating to horse racing. The fine is in addition to any criminal penalty imposed for the same violation. Fines imposed by the commission must be paid to the commission which shall pay them to the state treasurer for deposit in the general fund.

Sec. 23. [240.23] [RULEMAKING AUTHORITY.]

The commission has the authority, in addition to all other rule-making authority granted elsewhere in this act, to promulgate rules governing:

(a) the conduct of horse races held at licensed racetracks in Minnesota, including but not limited to the rules of racing, standards of entry, operation of claiming races, filing and handling of objections, carrying of weights, and declaration of official results;

(b) wire communications between the premises of a licensed racetrack and any place outside the premises;

(c) information on horse races which is sold on the premises of a licensed racetrack;

(d) liability insurance which it may require of all class A, class B, and class D licensees;

(e) the auditing of the books and records of a licensee by an auditor employed or appointed by the commission;

(f) emergency action plans maintained by licensed racetracks and their periodic review;

(g) *safety, security, and sanitation of stabling facilities at licensed racetracks;*

(h) *entry fees and other funds received by a licensee in the course of conducting racing which the commission determines must be placed in escrow accounts; and*

(i) *any other aspect of horse racing or pari-mutuel betting which in its opinion affects the integrity of racing or the public health, welfare, or safety.*

Except as provided in this act, rules of the commission are subject to chapter 14, the Administrative Procedure Act.

Sec. 24. [240.24] [MEDICATION.]

The commission shall make and enforce rules governing medication and medical testing for horses running at licensed racetracks. The rules must provide that no medication, as the commission defines that term by rule, may be administered to a horse within 48 hours of a race it runs at a licensed racetrack. The commission shall by rule establish the qualifications for laboratories used by it as testing laboratories to enforce its rules under this section.

Sec. 25. [240.26] [PROHIBITED ACTS.]

Subdivision 1. [ILLEGAL BETS.] No person may accept a bet as defined in section 609.75 on the premises of a licensed racetrack other than a bet made within a licensed pari-mutuel system.

Subd. 2. [OFF-TRACK BETS.] No person may, as part of an organized commercial activity, accept a bet off the premises of a licensed racetrack for delivery to a licensed racetrack.

Subd. 3. [INFLUENCING RACES.] No person may influence or attempt to influence a horse race by:

(a) *making threats;*

(b) *offering anything of value to a person involved in the conduct of a race in return for that person's committing an illegal act or failing to perform a duty; or*

(c) *conniving with or seeking or having an understanding or agreement with an owner, jockey, driver, trainer, groom, valet, agent, or other person associated with or interested in a horse or stable of horses.*

Subd. 4. [TAMPERING WITH HORSES.] No person may:

(a) on the premises of a licensed racetrack use, have in his possession with intent to use, or knowingly assist another person in using a battery or buzzer, electrical or mechanical, or other device or appliance, which can be used to affect a horse's racing condition or performance, other than an ordinary whip;

(b) affect or attempt to affect the racing condition or performance of a horse at a race or workout through the use of a drug or medication in violation of the commission's rules; or

(c) use any method, injurious or otherwise, to affect a horse's racing condition or performance at a race or workout in violation of the commission's rules.

Subd. 5. [REPORTING OF INFORMATION.] A person licensed by the commission who has information regarding a violation provision of this section must report that information promptly to the commission or an agent of the commission.

Subd. 6. [FALSE STATEMENT.] No person may knowingly make a false statement in a document or application required to be submitted to the commission or in a sworn statement to or testimony before the commission.

Subd. 7. [ALTERED TICKETS.] No person may knowingly offer for payment any pari-mutuel ticket which has been altered or any counterfeit or forged pari-mutuel ticket.

Sec. 26. [240.27] [PENALTIES.]

Subdivision 1. [FELONIES.] A violation of section 25, subdivision 1, 2, 3, 4, or 7 is a felony.

Subd. 2. [GROSS MISDEMEANORS.] A violation of section 25, subdivision 5 or 6, is a gross misdemeanor.

Subd. 3. [MISDEMEANORS.] A violation of any other provision of this act or of a rule or order of the commission for which another penalty is not provided is a misdemeanor.

Sec. 27. [240.28] [EXCLUSION OF CERTAIN PERSONS.]

Subdivision 1. [PERSONS EXCLUDED.] The commission may exclude from any and all licensed racetracks in the state a person who:

(a) has been convicted of a felony under the laws of any state or the United States;

(b) has had a license suspended, revoked, or denied by the commission or by the racing authority of any other jurisdiction; or

(c) is determined by the commission, on the basis of evidence presented to it, to be a threat to the integrity of racing in Minnesota.

Subd. 2. [HEARING; APPEAL.] An order to exclude a person from any or all licensed racetracks in the state must be made by the commission at a public hearing of which the person to be excluded must have at least five days' notice. If the person is present at the hearing, he must be permitted to show cause why he should not be excluded. An appeal of the order may be made in the same manner as other appeals under section 20.

Subd. 3. [NOTICE TO RACETRACKS.] Upon issuing an order excluding a person from any or all licensed racetracks, the commission shall send a copy of the order to the excluded person and to all racetracks named in it, along with other information as it deems necessary to permit compliance with the order.

Subd. 4. [PROHIBITIONS.] It is a gross misdemeanor for a person named in an exclusion order to enter, attempt to enter, or be on the premises of a racetrack named in the order while it is in effect, and for a person licensed to conduct racing or operate a racetrack knowingly to permit an excluded person to enter or be on the premises.

Subd. 5. [EXCLUSIONS BY RACETRACK.] The holder of a license to conduct racing may eject and exclude from its premises any licensee or any other person who is in violation of any state law or commission rule or order or who is a threat to racing integrity or the public safety. A person so excluded from racetrack premises may appeal his exclusion to the commission and must be given a public hearing on his appeal if he so requests. At the hearing he must be given the opportunity to show cause why he should not be so excluded. If the commission after the hearing finds that the integrity of racing and the public safety do not justify the exclusion, it shall order the racetrack making the exclusion to reinstate or readmit the person. An appeal of a commission order upholding the exclusion is governed by section 20.

Sec. 28. [240.29] [CONFLICT OF INTEREST.]

Subd. 1. [FINANCIAL INTEREST.] No person may serve on the commission or be employed by it 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 or employee of the commission may own, wholly or in part, or have an interest in a horse which

racers at a licensed racetrack in Minnesota. No member or employee of the commission may have a financial interest in or be employed in a profession or business which the commission regulates or which conflicts with the performance of his duties as a member or employee.

Subd. 2. [BETTING.] No member or employee of the commission may bet or cause a bet to be made on a race at a licensed racetrack while serving on or being employed by the commission. No person appointed or approved by the commission as a steward may bet or cause a bet to be made at a licensed racetrack during a racing meeting at which he 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 steward in violation of subdivision 2 or 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. 29. [240.30] [MINNESOTA-BRED OR MINNESOTA-OWNED HORSES.]

Each holder of a class B or class D license must declare and schedule on each racing day it conducts at least one race limited to horses which are Minnesota-bred or Minnesota-owned as those terms are defined in the commission rules unless there is not a sufficient number of such horses entered in the declared race to make up an adequate slate of entries, in which case another race may be substituted.

Sec. 30. Minnesota Statutes 1982, section 38.04, is amended to read:

38.04 [ANNUAL MEETINGS; REPORTS.]

Every county agricultural society shall hold an annual meeting for the election of officers and the transaction of other business on or before the third Tuesday in November, each year, at which time its secretary shall make a report of its proceedings for the preceding year; this report shall contain a statement of all transactions at its fairs, the numbers of entries, the amount and source of all moneys received, and the amount paid out for premiums and other purposes, and show in detail its entire receipts and expenditures during the year. The report must contain a separate accounting of any income received from the operation of horse racing on which pari-mutuel betting is conducted, and of the disposition of that income.

The treasurer shall make a comprehensive report of the funds received, paid out, and on hand, and upon whose order paid. Each secretary shall cause a certified copy of his annual report to be filed with the county recorder of the county and the commissioner of agriculture on or before the first day of November, each year.

Sec. 31. Minnesota Statutes 1982, section 273.76, is amended by adding a subdivision to read:

Subd. 9. [LICENSED RACETRACKS; TREATMENT UNDER TAX INCREMENT.] No revenues derived from tax increment shall be used to pay the cost of redevelopment, or providing public improvements or facilities, or other public costs in connection with the construction or development of a licensed racetrack as defined in section 1. If a licensed racetrack is located wholly or partly within the boundaries of a tax increment district, no portion of the assessed value of the racetrack shall be included in the district's captured assessed value. Notwithstanding the provisions of section 273.78, this subdivision shall apply to tax increment district or project, regardless of whether the tax increment was certified before August 1, 1979.

Sec. 32. Minnesota Statutes 1982, 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 a gambling device or the conduct of a raffle as defined in section 349.26, by an organization licensed for such operation by a local unit of government pursuant to section 349.26.

(7) *Pari-mutuel betting on horse racing when conducted under chapter 240.*

Sec. 33. Minnesota Statutes 1982, section 609.761, is amended to read:

Notwithstanding sections 609.755 and 609.76, a fraternal, religious, veterans or other nonprofit organization may set up or operate a gambling device or conduct a raffle as defined in section 349.26, if licensed by the local unit of government and conducted (PURSUANT TO) under section 349.26, and a person may manufacture, sell or offer for sale a gambling device to the organization, and *pari-mutuel betting on horse racing may be conducted under chapter 240.*

Sec. 34. [COMPULSIVE GAMBLING.]

The commissioner of public welfare, after consulting with the commissioner of health, the chairman of the racing commission established by section 2, and other persons knowledgeable in the assessment and treatment of compulsive gamblers, shall present to the legislature no later than January 30, 1984, legislation establishing treatment programs for the rehabilitation of compulsive gamblers if the commissioner of public welfare concludes that treatment programs will aid in the rehabilitation of compulsive gamblers. In developing the legislation, the commissioner of public welfare shall include, among other things, consideration of the following issues:

(1) *the nature of compulsive gambling and current practices in diagnosing and treating it;*

(2) *the extent of compulsive gambling in this state and the effect of current and proposed forms of legalized gambling on the incidence of compulsive gambling;*

(3) *existing programs in this state to deal with compulsive gambling;*

(4) *proposals for additional efforts to deal with compulsive gambling by both public and private agencies;*

(5) *coverage of compulsive gambling under existing health insurance policies and proposals to change that coverage;*

(6) *recommendations for a coordinated program of public and private action to deal with compulsive gambling by means of both treatment and public information, with recommended funding levels and implementation strategy; and*

(7) *the estimated annual cost of establishing compulsive gambling treatment programs.*

At a minimum, the legislation must include provisions establishing residential and outpatient treatment programs which address the unique needs of compulsive or pathological gamblers and which allow participants to return to normal lifestyles which do not include gambling. The legislation must also authorize the commissioner of public welfare to provide educational materials to the public regarding the detrimental effects of compulsive gambling on the economic and emotional health and welfare of the family unit.

There is appropriated from the general fund to the commissioner of public welfare the sum of \$35,000, or so much thereof as is necessary, for the purposes of section 34 of this act. This appropriation is available until January 30, 1984.

Sec. 35. [APPROPRIATION.]

Subdivision 1. There is appropriated from the general fund to the Minnesota racing commission, for the purposes of sections 1 to 29, the sum of \$247,000 for the year ending June 30, 1984, and \$344,300 for the year ending June 30, 1985. If the appropriation for either year is insufficient, the appropriation for the other year is available.

Subd. 2. There is appropriated from the general fund to the legislative advisory commission the sum of \$150,000 for the year ending June 30, 1985. The legislative advisory commission may transfer all or part of this appropriation to the Minnesota racing commission on application and a showing that the funds are necessary because of the licensing of one or more class A race-tracks and the authorization of racing days in that year.

Sec. 36. [NONAPPLICABILITY.]

The provisions of sections 1 to 24 and 27 to 35 do not apply to horse racing on which pari-mutuel betting is not conducted.

Sec. 37. [EFFECTIVE DATE.]

This act is effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to horse racing; creating a Minnesota racing commission and providing for its membership, powers, and duties; authorizing the licensing of persons to operate racetracks, conduct horse racing, engage in certain occupations, and conduct pari-mutuel betting on horse racing; prescribing taxes and license fees; establishing a Minnesota breeders fund; providing penalties; providing for the establishment of treat-

ment programs for compulsive gambling in certain circumstances; appropriating money; amending Minnesota Statutes 1982, sections 38.04; 273.76, by adding a subdivision; 609.75, subdivision 3; and 609.761; proposing new law coded as Minnesota Statutes, chapter 240."

With the recommendation that when so amended the bill pass.

The report was adopted.

Vanasek from the Committee on Judiciary to which was referred:

H. F. No. 439, A bill for an act relating to crimes; prohibiting possession of fireworks; amending Minnesota Statutes 1982, section 624.21.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1982, section 624.21, is amended to read:

624.21 [SALE AND USE OF FIREWORKS PROHIBITED.]

Except as otherwise provided in sections 624.20 to 624.25, it shall be unlawful for any person to offer for sale, expose for sale, sell at retail (,) or wholesale, (OR) *possess*, use, or explode any fireworks. This section shall not be construed to prohibit the use or explosion of fireworks by an engineer licensed pursuant to sections 326.02 and 326.03 or a person under the engineer's direct supervision when undertaking acoustical testing; or sales at wholesale to those persons holding valid permits for a fireworks display from a governmental subdivision of the state; or sales outside the state or sales to licensed professional engineers for acoustical testing purposes only.

Sec. 2. Minnesota Statutes 1982, section 624.23, is amended to read:

624.23 [CONSTRUCTION OF SECTIONS 624.20 TO 624.25.]

Nothing in sections 624.20 to 624.25 shall be construed to prohibit any resident wholesaler, dealer, or jobber, from selling at wholesale (SUCH) fireworks (AS) *which* are not (HEREIN) prohibited; or the sale of any kind of fireworks for shipment directly out of the state; or the use of fireworks by airplanes and railroads, or other transportation agencies for signal

purposes or illumination; or the sale, *possession*, or use of blank cartridges for a show or theater, or for signal or ceremonial purposes in athletics or sports, or for use by military organizations, or for use as a bird or animal *training* or repelling device.

Sec. 3. [624.251] [MANUFACTURE OR POSSESSION OF 25 POUNDS OF FIREWORKS PROHIBITED.]

It is unlawful for any person to knowingly or intentionally possess or manufacture 25 pounds or more of fireworks, as defined in section 624.20, for purposes of sale. A violation of this section is a gross misdemeanor.

Sec. 4. [EFFECTIVE DATE.]

Sections 1 and 2 are effective the day after final enactment. Section 3 is effective August 1, 1983."

Amend the title as follows:

Page 1, line 3, after the semicolon insert "prohibiting the possession or manufacture of 25 pounds or more of fireworks for purposes of sale; providing penalties;"

Page 1, line 3, delete "section" and insert "sections"

Page 1, line 4, before the period insert "; and 624.23; proposing new law coded in Minnesota Statutes, chapter 624."

With the recommendation that when so amended the bill pass.

The report was adopted.

Eken from the Committee on Rules and Legislative Administration to which was referred:

H. F. No. 452, A resolution memorializing the Postmaster General; urging the issuance of a postal stamp to commemorate the centennial of the first shipment of iron ore from Minnesota.

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

The report was adopted.

Eken from the Committee on Rules and Legislative Administration to which was referred:

H. F. No. 800, A resolution memorializing the President and Secretary of State of the United States to protest discrimination

against Soviet Jews and seek an end to restrictions on their emigration.

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

The report was adopted.

Eken from the Committee on Rules and Legislative Administration to which was referred:

H. F. No. 1059, A resolution memorializing the President and Congress of the United States to take immediate steps to curb the sources of acid rain.

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

The report was adopted.

Eken from the Committee on Rules and Legislative Administration to which was referred:

H. F. No. 1188, A resolution memorializing the United States Congress to conduct an in-depth investigation of the steel industry.

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

The report was adopted.

Eken from the Committee on Rules and Legislative Administration to which was referred:

House Resolution No. 4, A house resolution congratulating the Future Farmers of America on their work and accomplishments.

Reported the same back with the recommendation that the resolution be adopted.

The report was adopted.

Eken from the Committee on Rules and Legislative Administration to which was referred:

House Concurrent Resolution No. 5, A house concurrent resolution commending the University of Minnesota Department of Civil and Mineral Engineering for receipt of the 1983 National

**Award for Outstanding Civil Engineering Achievement from
the American Society of Civil Engineers.**

Reported the same back with the recommendation that the resolution be adopted.

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. Nos. 77, 439, 452, 800, 1059 and 1188 were read for the second time.

SECOND READING OF SENATE BILLS

S. F. No. 989 was read for the second time.

**INTRODUCTION AND FIRST READING
OF HOUSE BILLS**

The following House Files were introduced:

Brinkman, Kalis and Fjoslien introduced:

H. F. No. 1288, A bill for an act relating to weights and measures; exempting certain petroleum pumps and meters from certain inspection fees; establishing a set fee; amending Minnesota Statutes 1982, sections 239.10 and 296.13.

The bill was read for the first time and referred to the Committee on Commerce and Economic Development.

Levi, McEachern, Jennings and Anderson, B., introduced:

H. F. No. 1289, A bill for an act relating to education; requiring adoption of standards to measure the mastery of basic skills by pupils; proposing new law coded in Minnesota Statutes, chapter 121.

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

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. 270, A bill for an act relating to agriculture; providing that certain agricultural operations are not private or public nuisances; amending Minnesota Statutes 1982, section 561.19, subdivision 2; repealing Minnesota Statutes 1982, section 561.19, subdivision 5.

H. F. No. 1111, A bill for an act relating to local government; regulating town levies in Crow Wing County; repealing Laws 1941, chapter 451.

H. F. No. 1171, A bill for an act relating to taxation; clarifying the income tax treatment of certain debt obligations of state and local governments; amending Minnesota Statutes 1982, sections 80A.09, subdivision 1; 115A.69, subdivision 6; 116A.25; 116J.89, subdivision 6; 136.32; 136A.179; 136A.39; 193.146, subdivision 4; 272.02, subdivision 1; 362A.07; 447.35; 447.49; 458.193, subdivision 6; 458A.05, subdivision 6; 458A.09; 462.191, subdivision 3; 462.551; 462A.19, subdivision 1; 472.09, subdivision 4; 473.436, subdivision 6; 473.448; 473.545; and 473.666; repealing Minnesota Statutes 1982, sections 116J.89, subdivision 7; 462A.19, subdivision 2; and 474.12.

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. 672, A bill for an act relating to taxation; sales and use; clarifying the taxability or exempt status of certain items or transactions; providing penalties for certain operators or misuse of exemption certificates; clarifying filing dates and penalties for not timely filing or paying the tax; authorizing the filing of security and the use of sampling; providing restrictions on refunds; clarifying payments required before appeal; eliminating the fee for permits; amending Minnesota Statutes 1982, sections 297A.01, subdivisions 3 and 4; 297A.25, subdivision 1; 297A.27, subdivision 1; 297A.275; 297A.28; 297A.31, subdivision 1; 297A.35, subdivision 1, and by adding a subdivision; 297A.391; and 297B.03; proposing new law coded in Minnesota Statutes, chapter 297A; repealing Minnesota Statutes 1982, sections 297A.05 and 297A.251.

PATRICK E. FLAHAVEN, Secretary of the Senate

Minne moved that the House refuse to concur in the Senate amendments to H. F. No. 672, 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. 1108, A bill for an act relating to drainage; permitting certain towns to appeal from certain orders of county boards assessing damages or benefits in ditch proceedings.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Welle moved that the House concur in the Senate amendments to H. F. No. 1108 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 1108, A bill for an act relating to drainage; permitting a county board to cancel ditch assessments related to vacated town roads; proposing new law coded in Minnesota Statutes, chapter 106.

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 123 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Cohen	Haukoos	Larsen	Omam
Anderson, G.	Coleman	Heap	Levi	Onnen
Anderson, R.	DenOuden	Heinitz	Ludeman	Osthoff
Battaglia	Dimler	Hoberg	Mann	Otis
Beard	Eken	Hoffman	Marsh	Pauly
Begich	Elioff	Hokr	McDonald	Peterson
Bennett	Ehlingson	Jacobs	McEachern	Piepho
Bergstrom	Erickson	Jennings	McKasy	Piper
Bishop	Evans	Jensen	Metzen	Price
Blatz	Findlay	Johnson	Minne	Quinn
Brandl	Fjoslien	Kahn	Munger	Quist
Brinkman	Forsythe	Kalis	Murphy	Redalen
Burger	Frerichs	Kelly	Nelson, D.	Reif
Carlson, D.	Graba	Knickerbocker	Nelson, K.	Rice
Carlson, L.	Greenfield	Knuth	Neuenschwander	Rivencs
Clark, J.	Cruenes	Kostohryz	O'Connor	Rodosovich
Clark, K.	Gustafson	Krueger	Ogren	Rodriguez, C.
Clawson	Gutknecht	Kvam	Olsen	Rodriguez, F.

Rose	Segal	Stadum	Valan	Welle
St. Onge	Shaver	Staten	Valento	Wenzel
Sarna	Shea	Sviggum	Vanasek	Wigley
Schafer	Simoneau	Swanson	Voss	Wynia
Scheid	Skoglund	Thiede	Waltman	Speaker Sieben
Schreiber	Solberg	Tomlinson	Welch	
Seaberg	Sparby	Uphus	Welker	

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 File, herewith transmitted:

S. F. No. 375.

PATRICK E. FLAHAVEN, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 375, A bill for an act relating to the city of Bloomington; providing authority for the city to establish and maintain district heating systems.

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

ANNOUNCEMENT BY THE SPEAKER

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 672: Minne; Anderson, G., and Evans.

Carlson, D., was excused for the remainder of today's session.

CONSIDERATION UNDER RULE 1.10

Pursuant to rule 1.10, Tomlinson requested immediate consideration of H. F. No. 1259.

H. F. No. 1259 was reported to the House.

Tomlinson, Knuth, Metzen, Riveness, Hoffman, Price, Quinn, Coleman, Kostohryz, Voss and Swanson moved to amend H. F. No. 1259, the first engrossment, as follows:

Page 157, line 27, delete "one and"

Page 157, line 28, delete "mills" and insert "mill"

A roll call was requested and properly seconded.

The question was taken on the amendment and the roll was called. There were 81 yeas and 36 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Elioff	McKasy	Quinn	Staten
Anderson, R.	Ellingson	Metzen	Reif	Swanson
Battaglia	Graba	Minne	Riveness	Tomlinson
Beard	Greenfield	Murphy	Rodosovich	Valento
Begich	Heinitz	Nelson, D.	Rodriguez, C.	Vanasek
Bennett	Himle	Nelson, K.	Rodriguez, F.	Vellenga
Bergstrom	Hoffman	Neuenschwander	Rose	Voss
Berkelman	Jacobs	Norton	St. Onge	Welch
Blatz	Kahn	O'Connor	Sarna	Welle
Brandl	Kalis	Ogren	Scheid	Wenzel
Carlson, L.	Kelly	Olsen	Seaberg	Wynia
Clark, J.	Knickerbocker	Osthoff	Segal	Zaffke
Clark, K.	Knuth	Otis	Shea	Speaker Sieben
Cohen	Krueger	Pauly	Simoneau	
Coleman	Larsen	Peterson	Skoglund	
Dempsey	Levi	Piper	Solberg	
Eken	McEachern	Price	Sparby	

Those who voted in the negative were:

Bishop	Forsythe	Johnson	Redalen	Valan
Burger	Frerichs	Kvam	Schafer	Waltman
DenOuden	Gruenes	Ludeman	Schoenfeld	Welker
Dimler	Gutknecht	McDonald	Schreiber	Wigley
Erickson	Haukoos	Omann	Shaver	
Evans	Heap	Onnen	Stadum	
Findlay	Hokr	Piepho	Sviggum	
Fjoslien	Jennings	Quist	Thiede	

The motion prevailed and the amendment was adopted.

Burger moved to amend H. F. No. 1259, the first engrossment, as amended, as follows:

Page 140, after line 26, insert:

"Sec. 21 [TAX REDUCTION FOR JOBS.]

Subdivision 1. [TITLE.] This section may be cited as the Tax Discount For Jobs Act of 1983.

Subd. 2. [STATEMENT OF PURPOSE.] The legislature finds that the taxpayers of this state desire to use their resources to patronize and support new businesses or businesses which are expanding the number of their employees. The legislature finds that an optional tax reduction will provide taxpayers with additional funds which they may use to patronize businesses which the state has certified are employers which are creating new jobs.

Subd. 3. [DEFINITIONS.] (a) "Taxpayer" means every individual, estate, trust, corporation, partnership, or other or-

ganization or association required by law to pay any Minnesota state tax.

(b) "Certified tax discount employer" is any business certified by the secretary of state as lawfully operating in Minnesota; and the number of whose full-time permanent employees on the day the application for certification is filed is at least five percent larger than the number of full time employees employed on the same day in the preceding year, or that has been operating less than one year on the date the application for certification is filed.

Subd. 4. [CERTIFICATION.] Any business wishing to be designated as a certified tax discount employer shall submit an application for certification to the secretary of state along with a \$2 filing fee. The application shall contain the information prescribed by the secretary of state in order for the secretary of state to determine if the business qualifies under the provisions of this section. The secretary of state may require supporting documents, affidavits, or other documentation to determine whether the business should be issued a certification. Within 30 days after receipt of the application and any other information required by the secretary of state, the secretary of state shall issue the certificate or reject the application. If the application is rejected, the secretary of state shall state the reasons for the rejection and the statements shall be mailed to the address stated on the application. For purposes of determining eligibility under this section, entities shall aggregate all permanent full-time employees employed within the state. A separate certificate shall be issued for each place of business within Minnesota listed on the application.

Subd. 5. [USE OF CERTIFICATE.] Once issued, a certificate is valid until July 1, 1985. A certified tax discount employer may display the permit in a conspicuous place in the place of business designated on the permit. A certification is not transferable, is valid only for the person in whose name it is issued, and may be displayed only at the place designated therein. A certified tax discount employer may so represent himself to the public and may so state in any advertising and promotional activities.

Subd. 6. [DISCOUNT.] Every form used to report a state tax in Minnesota shall contain a space labeled: "Optional Discount: 5%." This space shall be adjacent to the space on the form used to show the amount of the net tax due after any credits or other reductions, but not including penalties or interest. On any form where there is no space for the designated optional discount entry, the taxpayer may write in longhand or type "Optional Discount: 5%." If there is no space available on the form, the optional discount entry may be shown and entered on a separate slip of paper and attached to the form.

The taxpayer who timely files any such form may claim on the form or attachment and retain for personal use five percent of the amount of the net tax shown on the form, after any credits or other reductions, but not including penalties or interest. The taxpayer shall file the form as prescribed by law and pay the tax due with or without the optional discount.

Subd. 7. [RULES.] The secretary of state may adopt rules under the administrative procedures act to administrate and enforce the provisions of this section. The secretary of state may adopt temporary rules pursuant to sections 14.29 to 14.36.

Subd. 8. [PENALTY.] Any person representing to the public that he is a certified tax discount employer who is not so certified shall be guilty of a misdemeanor.

Subd. 9. [DURATION.] This section is effective July 1, 1983, and applies to certifications issued after that date for taxes due after issuance of the certificate. This section expires July 1, 1985."

Renumber the sections

Further, amend the title as follows:

Page 2, line 20, after "aids;" insert "providing taxpayers an optional tax discount; providing for certification of tax discount employers; imposing a penalty;"

A roll call was requested and properly seconded.

The question was taken on the amendment and the roll was called. There were 50 yeas and 70 nays as follows:

Those who voted in the affirmative were:

Bennett	Fjoslien	Johnson	Piepho	Stadum
Bishop	Forsythe	Knickerbocker	Quist	Sviggum
Blatz	Frerichs	Kvam	Redalen	Thiede
Burger	Gutknecht	Ludeman	Reif	Uphus
Dempsey	Haukoos	Marsh	Rose	Valan
DenOuden	Heap	McDonald	Schafer	Valento
Dimler	Heinitz	McKasy	Schoenfeld	Waltman
Erickson	Himle	Olsen	Schreiber	Welker
Evans	Hoberg	Omann	Seaberg	Wigley
Findlay	Jennings	Pauly	Shaver	Zaffke

Those who voted in the negative were:

Anderson, B.	Bergstrom	Clawson	Graba	Kahn
Anderson, G.	Berkelman	Cohen	Greenfield	Kelly
Anderson, R.	Brandl	Coleman	Gustafson	Knuth
Battaglia	Carlson, L.	Eken	Hoffman	Kostohryz
Beard	Clark, J.	Elioff	Jacobs	Krueger
Begich	Clark, K.	Ellingson	Jensen	Larsen

McEachern	Norton	Rice	Segal	Vanasek
Metzen	O'Connor	Riveness	Shea	Vellenga
Minne	Ogren	Rodosovich	Simoneau	Voss
Munger	Osthoff	Rodriguez, C.	Skoglund	Welch
Murphy	Otis	Rodriguez, F.	Sparby	Welle
Nelson, D.	Peterson	St. Onge	Staten	Wenzel
Nelson, K.	Piper	Sarna	Swanson	Wynia
Neuenschwander	Price	Scheid	Tomlinson	Speaker Sieben

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

Ogren moved to amend H. F. No. 1259, the first engrossment, as amended, as follows:

Page 13, line 10, delete "only if the"

Page 13, delete lines 11 to 12

Page 13, line 13, delete "tax return"

A roll call was requested and properly seconded.

CALL OF THE HOUSE

On the motion of Ludeman and on the demand of 10 members, a call of the House was ordered. The following members answered to their names:

Anderson, B.	Ellingson	Kelly	Omann	Segal
Anderson, G.	Erickson	Knickerbocker	Onnen	Shaver
Anderson, R.	Evans	Knuth	Osthoff	Simoneau
Battaglia	Findlay	Kostohryz	Otis	Skoglund
Beard	Fjoslien	Krueger	Pauly	Solberg
Begich	Forsythe	Kvam	Peterson	Sparby
Bennett	Frerichs	Larsen	Piepho	Stadum
Bergstrom	Graba	Levi	Piper	Staten
Berkelman	Greenfield	Long	Price	Sviggum
Bishop	Gruenes	Ludeman	Quinn	Swanson
Blatz	Gustafson	Mann	Quist	Thiede
Brandl	Gutknecht	Marsh	Redalen	Tomlinson
Brinkman	Halberg	McDonald	Rice	Valan
Burger	Haukoos	McKasy	Riveness	Valento
Carlson, L.	Heap	Metzen	Rodosovich	Vanasek
Clark, J.	Heinitz	Minne	Rodriguez, C.	Vellenga
Clark, K.	Himle	Munger	Rodriguez, F.	Voss
Clawson	Hoberg	Murphy	Rose	Waltman
Cohen	Hoffman	Nelson, D.	St. Onge	Welker
Coleman	Hokr	Nelson, K.	Sarna	Welle
Dempsey	Jacobs	Neuenschwander	Schafer	Wenzel
DenOuden	Jennings	Norton	Scheid	Wigley
Dimler	Jensen	O'Connor	Schoenfeld	Wynia
Eken	Johnson	Ogren	Schreiber	Zaffke
Elioff	Kahn	Olsen	Seaberg	Speaker Sieben

Eken 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.

The question recurred on the Ogren amendment and the roll was called.

Eken moved that those not voting be excused from voting. The motion did not prevail.

There were 41 yeas and 90 nays as follows:

Those who voted in the affirmative were:

Battaglia	Elioff	Long	Rice	Solberg
Beard	Ellingson	Minne	Riveness	Staten
Begich	Fjoslien	Murphy	Rodríguez, F.	Vellenga
Bergstrom	Greenfield	Norton	St. Onge	Voss
Carlson, L.	Gustafson	O'Connor	Sarna	Wenzel
Clark, J.	Jacobs	Ogren	Scheid	
Clark, K.	Kelly	Otis	Segal	
Cohen	Knuth	Peterson	Simoneau	
Coleman	Larsen	Piper	Skoglund	

Those who voted in the negative were:

Anderson, B.	Forsythe	Knickerbocker	Onnen	Sparby
Anderson, G.	Frerichs	Kostohryz	Osthoff	Stadum
Anderson, R.	Graba	Krueger	Pauly	Sviggum
Bennett	Gruenes	Kvam	Piepho	Swanson
Berkelman	Gutknecht	Levi	Price	Thiede
Bishop	Halberg	Ludeman	Quinn	Tomlinson
Blatz	Haukoos	Mann	Quist	Uphus
Brandl	Heap	Marsh	Redalen	Valan
Brinkman	Heinitz	McDonald	Reif	Valento
Burger	Himle	McEachern	Rodosovich	Vanasek
Clawson	Hoberg	McKasy	Rodriguez, C.	Waltman
Dempsey	Hoffman	Metzen	Rose	Welch
DenOuden	Hokr	Munger	Schafer	Welker
Dimler	Jennings	Nelson, D.	Schoenfeld	Welle
Eken	Jensen	Nelson, K.	Schreiber	Wigley
Erickson	Johnson	Neuenschwander	Seaberg	Wynia
Evans	Kahn	Olsen	Shaver	Zaffke
Findlay	Kalis	Omann	Shea	Speaker Sieben

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

Onnen, Dimler, Waltman and Johnson moved to amend H. F. No. 1259, the first engrossment, as amended, as follows:

Page 70, line 11, reinstate the stricken language

Page 70, line 12, delete the new language and reinstate the stricken language

Page 70, line 13, reinstate the stricken language

Page 70, line 14, reinstate the stricken language

Page 70, line 15, reinstate the stricken language

Page 70, line 35, reinstate the stricken language

Page 70, line 36, reinstate the stricken language

Page 71, line 1, reinstate the stricken language

Page 71, line 14, delete the new language and reinstate the stricken language

Page 71, line 17, reinstate the stricken language

Page 71, line 18, reinstate the stricken language

Page 71, line 19, reinstate the stricken language

Page 71, line 20, reinstate the stricken language

A roll call was requested and properly seconded.

The question was taken on the amendment and the roll was called. There were 56 yeas and 75 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Forsythe	Johnson	Piepho	Thiede
Bishop	Frerichs	Knickerbocker	Quist	Uphus
Blatz	Gruenes	Kvam	Redalen	Valan
Burger	Gutknecht	Levi	Reif	Valento
Cohen	Halberg	Ludeman	Rodriguez, C.	Waltman
Dempsey	Haukoos	Marsh	Rose	Welker
DenOuden	Heap	McDonald	Schafer	Wigley
Dimler	Heinitz	McKasy	Schreiber	Zaffke
Erickson	Himle	Olsen	Seaberg	
Evans	Hoberg	Omann	Shaver	
Findlay	Hokr	Onnen	Stadum	
Fjoslien	Jennings	Pauly	Svigum	

Those who voted in the negative were:

Anderson, B.	Eken	Larsen	Otis	Simoneau
Anderson, G.	Elioff	Long	Peterson	Skoglund
Battaglia	Ellingson	Mann	Piper	Solberg
Beard	Graba	McEachern	Price	Sparby
Begich	Greenfield	Metzen	Quinn	Staten
Bennett	Custafson	Minne	Rice	Swanson
Bergstrom	Hoffman	Munger	Riveness	Tomlinson
Berkelman	Jacobs	Murphy	Rodosovich	Vanasek
Brandl	Jensen	Nelson, D.	Rodriguez, F.	Vellenga
Brinkman	Kahn	Nelson, K.	St. Onge	Voss
Carlson, L.	Kalis	Neuenschwander	Sarna	Welch
Clark, J.	Kelly	Norton	Scheid	Welle
Clark, K.	Knuth	O'Connor	Schoenfeld	Wenzel
Clawson	Kostohryz	Ogren	Segal	Wynia
Coleman	Krueger	Osthoff	Shea	Speaker Sieben

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

Dempsey and Johnson moved to amend H. F. No. 1259, the first engrossment, as amended, as follows:

Page 84, line 7, reinstate the stricken language

Page 84, line 8, reinstate the stricken language

Page 84, line 9, reinstate the stricken language and delete the new language

Page 84, line 10, delete the new language

Page 86, delete lines 24 to 36

Page 87, delete lines 1 to 13

Re-number as necessary

A roll call was requested and properly seconded.

The question was taken on the amendment and the roll was called.

Vanasek 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:

Anderson, R.	Fjoslien	Jennings	Onnen	Segal
Bennett	Forsythe	Johnson	Pauly	Sviggnm
Bishop	Frerichs	Knickerbocker	Piepho	Thiede
Blatz	Gruenes	Kvam	Quist	Uphus
Burger	Gutknecht	Levi	Redalen	Valan
Dempsey	Halberg	Ludeman	Reif	Valento
DenOuden	Haukoos	Marsh	Rose	Waltman
Dimler	Heap	McDonald	Schafer	Welker
Erickson	Heinitz	McKasy	Schoenfeld	Wenzel
Evans	Himle	Olsen	Schreiber	Wigley
Findlay	Hoberg	Omann	Seaberg	Zaffke

Those who voted in the negative were:

Anderson, B.	Clawson	Kahn	Munger	Price
Anderson, G.	Cohen	Kalis	Murphy	Quinn
Battaglia	Coleman	Kelly	Nelson, D.	Rice
Beard	Eken	Knuth	Nelson, K.	Riveness
Begich	Elioff	Kostohryz	Neuenschwander	Rodosovich
Bergstrom	Ellingson	Krueger	Norton	Rodriguez, C.
Berkelman	Graba	Larsen	O'Connor	Rodriguez, F.
Brandl	Greenfield	Long	Ogren	St. Onge
Brinkman	Gustafson	Mann	Osthoff	Sarna
Carlson, L.	Hoffman	McEachern	Otis	Scheid
Clark, J.	Jacobs	Metzen	Peterson	Shea
Clark, K.	Jensen	Minne	Piper	Simoneau

Skoglund
Solberg
Sparby

Staten
Swanson
Tomlinson

Vanasek
Vellenga
Voss

Welch
Welle
Wynia

Speaker Sieben

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

DenOuden moved to amend H. F. No. 1259, the first engrossment, as amended, as follows:

Page 179, line 1, delete "*except that no on-sales*"

Page 179, delete lines 2 to 4

Page 179, line 5, delete "*specifically prohibited by municipal ordinance*"

Amend the title as follows:

Page 2, delete line 7

Page 2, line 8, delete "during daylight saving time;"

A roll call was requested and properly seconded.

The question was taken on the amendment and the roll was called.

Eken moved that those not voting be excused from voting. The motion did not prevail.

Eken moved that those not voting be excused from voting. The motion prevailed.

There were 95 yeas and 35 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Dimler	Himle	Marsh	Quist
Anderson, G.	Eken	Hoberg	McDonald	Redalen
Battaglia	Elioff	Hokr	McEachern	Riveness
Bennett	Ellingson	Jennings	McKasy	Rodosovich
Berkelman	Erickson	Johnson	Munger	Rodriguez, C.
Bishop	Findlay	Kalis	Murphy	Rose
Blatz	Fjoslien	Kelly	Nelson, D.	Schafer
Brandl	Forsythe	Knickerbocker	Nelson, K.	Scheid
Brinkman	Frerichs	Knuth	Neuenschwander	Schoenfeld
Burger	Graba	Krueger	Norton	Segal
Carlson, L.	Gruenes	Kvam	Olsen	Shaver
Clark, J.	Gutknecht	Larsen	Omman	Simoneau
Clark, K.	Halberg	Levi	Onnen	Skoglund
Clawson	Haukoos	Long	Otis	Solberg
Coleman	Heap	Ludeman	Peterson	Sparby
DenOuden	Heinitz	Mann	Price	Stadium

Sviggum	Uphus	Vanasek	Welch	Wigley
Swanson	Valan	Vellenga	Welker	Wynia
Thiede	Valento	Waltman	Wenzel	Zaffke

Those who voted in the negative were:

Anderson, R.	Greenfield	Metzen	Piper	Schreiber
Beard	Gustafson	Minne	Quinn	Seaberg
Begich	Hoffman	O'Connor	Reif	Shea
Bergstrom	Jacobs	Ogren	Rice	Tomlinson
Cohen	Jensen	Osthoff	Rodriguez, F.	Voss
Dempsey	Kahn	Pauly	St. Onge	Welle
Evans	Kostohryz	Piepho	Sarna	Speaker Sieben

The motion prevailed and the amendment was adopted.

McKasy moved to amend H. F. No. 1259, the first engrossment, as amended, as follows:

Page 72, delete lines 8 to 16

Page 72, line 20, delete "6" and insert "5"

Renumber sections as necessary

A roll call was requested and properly seconded.

The question was taken on the amendment and the roll was called.

Vanasek moved that those not voting be excused from voting. The motion did not prevail.

There were 64 yeas and 67 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Findlay	Hokr	Onnen	Shaver
Anderson, R.	Fjoslien	Jennings	Pauly	Sparby
Bennett	Forsythe	Johnson	Piepho	Stadum
Bishop	Frerichs	Kalis	Quinn	Sviggum
Blatz	Gruenes	Knickerbocker	Quist	Thiede
Burger	Gutknecht	Kvam	Redalen	Uphus
Cohen	Halberg	Levi	Reif	Valan
Dempsey	Haukoos	Ludeman	Rodriguez, C.	Valento
DenOuden	Heap	Marsh	Rose	Waltman
Dimler	Heimitz	McDonald	Schafer	Welker
Elioff	Himle	McKasy	Schoenfeld	Wigley
Erickson	Hoberg	Olsen	Schreiber	Zaffke
Evans	Hoffman	Omann	Seaberg	

Those who voted in the negative were:

Anderson, G.	Beard	Bergstrom	Brandl	Carlson, L.
Battaglia	Begich	Berkelman	Brinkman	Clark, J.

Clark, K.	Knuth	Nelson, K.	Rodosovich	Tomlinson
Clawson	Kostohryz	Neuenschwander	Rodriguez, F.	Vanasek
Coleman	Krueger	Norton	St. Onge	Vellenga
Eken	Larsen	O'Connor	Sarna	Voss
Ellingson	Long	Ogren	Scheid	Welch
Graba	Mann	Osthoff	Segal	Welle
Greenfield	McEachern	Otis	Shea	Wenzel
Gustafson	Metzen	Peterson	Simoneau	Wynia
Jacobs	Minne	Piper	Skoglund	Speaker Sieben
Jensen	Munger	Price	Solberg	
Kahn	Murphy	Rice	Staten	
Kelly	Nelson, D.	Riveness	Swanson	

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

Halberg, Dimler, Johnson and Waltman moved to amend H. F. No. 1259, the first engrossment, as amended, as follows:

Page 17, delete lines 19 to 36

Page 18, delete lines 1 to 27

Renumber sections as necessary.

Further, amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the amendment and the roll was called.

Eken moved that those not voting be excused from voting. The motion did not prevail.

There were 57 yeas and 75 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Fjoslien	Jennings	Pauly	Sviggum
Bennett	Forsythe	Johnson	Piepho	Thiede
Bishop	Frerichs	Knickerbocker	Quist	Uphus
Blatz	Gruenes	Kvam	Redalen	Valan
Burger	Gutknecht	Levi	Reif	Valento
Cohen	Halberg	Ludeman	Rose	Waltman
Dempsey	Haukoos	Marsh	Schafer	Welker
DenOuden	Heap	McDonald	Schreiber	Wigley
Dimler	Heinitz	McKasy	Seaberg	Zaffke
Erickson	Himle	Olsen	Shaver	
Evans	Hoberg	Omamn	Shea	
Findlay	Hokr	Onnen	Stadum	

Those who voted in the negative were:

Anderson, B.	Battaglia	Begich	Berkelman	Brinkman
Anderson, G.	Beard	Bergstrom	Brandl	Carlson, L.

Clark, J.	Kahn	Murphy	Rice	Sparby
Clark, K.	Kalis	Nelson, D.	Riveness	Staten
Clawson	Kelly	Nelson, K.	Rodosovich	Swanson
Coleman	Knuth	Neuenschwander	Rodriguez, C.	Tomlinson
Eken	Kostohryz	Norton	Rodriguez, F.	Tunheim
Elioff	Krueger	O'Connor	St. Onge	Vanasek
Ellingson	Larsen	Ogren	Sarna	Vellenga
Graba	Long	Osthoff	Scheid	Voss
Greenfield	Mann	Otis	Schoenfeld	Weich
Gustafson	McEachern	Peterson	Segal	Welle
Hoffman	Metzen	Piper	Simoneau	Wenzel
Jacobs	Minne	Price	Skoglund	Wynia
Jensen	Munger	Quinn	Solberg	Speaker Sieben

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

Blatz, Waltman and Johnson moved to amend H. F. No. 1259, the first engrossment, as amended, as follows:

Page 17, line 31, reinstate the stricken language and delete the new language

Page 17, line 33, delete the new language

Page 17, delete line 34

Page 18, line 2, delete "8.5" and insert "ten"

Page 18, line 4, delete "4.25" and insert "five"

A roll call was requested and properly seconded.

The question was taken on the amendment and the roll was called.

Eken moved that those not voting be excused from voting. The motion did not prevail.

There were 56 yeas and 76 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Fjoslien	Jennings	Pauly	Thiede
Bennett	Forsythe	Johnson	Piepho	Uphus
Berkelman	Frerichs	Knickerbocker	Quist	Valan
Bishop	Gruenes	Kvam	Redalen	Valento
Blatz	Gutknecht	Levi	Reif	Waltman
Burger	Halberg	Ludeman	Rose	Welker
Dempsey	Haukoos	Marsh	Schafer	Wigley
DenOuden	Heap	McDonald	Schreiber	Zaffke
Dimler	Heinitz	McKasy	Seaberg	
Erickson	Himle	Olsen	Shaver	
Evans	Hoberg	Omman	Stadum	
Findlay	Hokr	Onnen	Sviggum	

Those who voted in the negative were:

Anderson, B.	Ellingson	McEachern	Quinn	Staten
Anderson, G.	Graba	Metzen	Rice	Swanson
Battaglia	Greenfield	Minne	Riveness	Tomlinson
Beard	Custafson	Munger	Rodosovich	Tunheim
Begich	Hoffman	Murphy	Rodriguez, C.	Vanasek
Bergstrom	Jacobs	Nelson, D.	Rodriguez, F.	Vellenga
Brandl	Jensen	Nelson, K.	St. Onge	Voss
Brinkman	Kahn	Neuenschwander	Sarna	Welch
Carlson, L.	Kalis	Norton	Scheid	Welle
Clark, J.	Kelly	O'Connor	Schoenfeld	Wenzel
Clark, K.	Knuth	Ogren	Segal	Wynia
Clawson	Kostohryz	Osthoff	Shea	Speaker Sieben
Cohen	Krueger	Otis	Simoneau	
Coleman	Larsen	Peterson	Skoglund	
Eken	Long	Piper	Solberg	
Elioff	Mann	Price	Sparby	

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

The Speaker called Wynia to the Chair.

Schreiber, Uphus, Omann and Findlay moved to amend H. F. No. 1259, the first engrossment, as amended, as follows:

Page 7, line 7, delete the new language

Page 7, line 8, after "(7)" insert "*provided that for a credit allowed in a taxable year beginning after December 31, 1982, one-half of the increase shall be added to federal adjusted gross income*"

Page 11, line 31, after "(7)" insert "*One-half of*" and reinstate the stricken language

Page 11, lines 32 to 35, reinstate the stricken language

Page 11, line 36, reinstate the stricken "(8)"

Page 12, line 11, delete "(8)" and insert "(9)"

Page 12, line 16, delete "(9)" and insert "(10)"

Page 12, line 23, delete "(10)" and insert "(11)"

Page 12, line 28, delete "(11)" and insert "(12)"

Page 12, line 36, delete "(12)" and insert "(13)"

Page 13, line 8, delete "(13)" and insert "(14)"

Page 13, line 18, delete "(14)" and insert "(15)"

Page 13, line 35, delete "(15)" and insert "(16)"

Page 14, line 27, delete "(16)" and insert "(17)"

Page 14, line 30, delete "(17)" and insert "(18)"

Page 14, line 35, delete "(18)" and insert "(19)"

Page 17, delete lines 5 to 13

A roll call was requested and properly seconded.

The Speaker resumed the Chair.

The question was taken on the amendment and the roll was called.

Eken moved that those not voting be excused from voting. The motion prevailed.

There were 60 yeas and 71 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Frerichs	Johnson	Onnen	Shea
Bennett	Graba	Knickerbocker	Pauly	Stadum
Blatz	Gruenes	Krueger	Piepho	Sviggum
Burger	Gutknecht	Kvam	Quist	Thiede
Dempsey	Halberg	Levi	Redalen	Uphus
DenOuden	Haukoos	Ludeman	Reif	Vaian
Dimler	Heap	Marsh	Rose	Valento
Erickson	Heinitz	McDonald	Schafer	Waltman
Evans	Himle	McKasy	Schoenfeld	Welker
Findlay	Hoberg	Metzen	Schreiber	Wenzel
Fjoslien	Hokr	Olsen	Seaberg	Wigley
Forsythe	Jennings	Omann	Shaver	Zaffke

Those who voted in the negative were:

Anderson, B.	Eken	Mann	Price	Staten
Anderson, G.	Elioff	McEachern	Quinn	Swanson
Battaglia	Ellingson	Minne	Rice	Tomlinson
Beard	Greenfield	Munger	Riveness	Tunheim
Begich	Gustafson	Murphy	Rodosovich	Vanasek
Bergstrom	Hoffman	Nelson, D.	Rodriguez, C.	Vellenga
Bishop	Jacobs	Nelson, K.	Rodriguez, F.	Voss
Brandl	Jensen	Neuenschwander	St. Onge	Welch
Brinkman	Kahn	Norton	Sarna	Welle
Carlson, L.	Kalis	O'Connor	Scheid	Wynia
Clark, J.	Kelly	Ogren	Segal	Speaker Sieben
Clark, K.	Knuth	Osthoff	Simoneau	
Clawson	Kostohryz	Otis	Skoglund	
Cohen	Larsen	Peterson	Solberg	
Coleman	Long	Piper	Sparby	

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

Himle, Olsen, Blatz, Dimler, Pauly, Frerichs, Waltman, Johnson, Shaver and Levi moved to amend H. F. No. 1259, the first engrossment, as amended, as follows:

Page 9, line 8, delete the new language

Page 9, line 9, delete the new language and strike "the amount of"

Page 9, line 10, strike "contributions to an individual retirement account,"

Page 9, line 14, delete the new language

Page 9, delete lines 15 to 21

Renumber the clauses as necessary

A roll call was requested and properly seconded.

The question was taken on the amendment and the roll was called.

Eken moved that those not voting be excused from voting. The motion did not prevail.

Eken moved that those not voting be excused from voting. The motion prevailed.

There were 60 yeas and 71 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Forsythe	Johnson	Onnen	Shaver
Bennett	Frerichs	Knickerbocker	Pauly	Stadum
Bishop	Gruenes	Knuth	Piepho	Swiggum
Blatz	Gutknecht	Kvam	Quist	Thiede
Burger	Halberg	Levi	Redalen	Uphus
Dempsey	Haukoos	Ludeman	Reif	Valan
DenOuden	Heap	Marsh	Rodriguez, C.	Valento
Dimler	Heinitz	McDonald	Rose	Vellenga
Erickson	Himle	McKasy	Schafer	Waltman
Evans	Hoberg	Nelson, K.	Schreiber	Welker
Findlay	Hokr	Olsen	Seaberg	Wigley
Fjoslien	Jennings	Omann	Segal	Zaffke

Those who voted in the negative were:

Anderson, B.	Clark, J.	Gustafson	Mann	Ogren
Anderson, G.	Clark, K.	Hoffman	McEachern	Osthoff
Battaglia	Clawson	Jacobs	Metzen	Otis
Beard	Cohen	Jensen	Minne	Peterson
Begich	Coleman	Kahn	Munger	Piper
Bergstrom	Eken	Kalis	Murphy	Price
Berkelman	Elioff	Kelly	Nelson, D.	Quinn
Brandl	Ellingson	Kostohryz	Neuenschwander	Rice
Brinkman	Graba	Krueger	Norton	Riveness
Carlson, L.	Greenfield	Larsen	O'Connor	Rodosovich

Rodriguez, F.	Shea	Staten	Voss	Speaker Sieben
St. Onge	Simoneau	Swanson	Welch	
Sarna	Skoglund	Tomlinson	Welle	
Scheid	Solberg	Tunheim	Wenzel	
Schoenfeld	Sparby	Vanasek	Wynia	

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

Redalen moved to amend H. F. No. 1259, the first engrossment, as amended, as follows:

Page 87, line 10, delete "*Effective for taxes payable in*"

Page 87, delete lines 11 to 13

A roll call was requested and properly seconded.

The question was taken on the amendment and the roll was called.

Eken moved that those not voting be excused from voting. The motion prevailed.

There were 59 yeas and 72 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Forsythe	Jennings	Pauly	Stadum
Bennett	Frerichs	Johnson	Piepho	Swiggum
Bishop	Graba	Knickerbocker	Quist	Thiede
Blatz	Gruenes	Kvam	Redalen	Uphus
Burger	Gutknecht	Levi	Reif	Valan
Dempsey	Halberg	Ludeman	Rose	Valento
DenOuden	Haukoos	Marsh	Schafer	Waltman
Dimler	Heap	McDonald	Schoenfeld	Welker
Erickson	Heinitz	McKasy	Schreiber	Wenzel
Evans	Himle	Olsen	Seaberg	Wigley
Findlay	Hoberg	Omann	Shaver	Zaffke
Fjoslien	Hokr	Onnen	Shea	

Those who voted in the negative were:

Anderson, B.	Eken	Long	Peterson	Sparby
Anderson, G.	Elioff	Mann	Piper	Staten
Battaglia	Ellingson	McEachern	Price	Swanson
Beard	Greenfield	Metzen	Quinn	Tomlinson
Begich	Gustafson	Minne	Rice	Tunheim
Bergstrom	Hoffman	Munger	Riveness	Vanasek
Berkelman	Jacobs	Murphy	Rodosovich	Vellenga
Brandl	Jensen	Nelson, D.	Rodriguez, C.	Voss
Brinkman	Kahn	Nelson, K.	Rodriguez, F.	Welch
Carlson, L.	Kalis	Neuenschwander	St. Onge	Welle
Clark, J.	Kelly	Norton	Sarna	Wynia
Clark, K.	Knuth	O'Connor	Segal	Speaker Sieben
Clawson	Kostohryz	Ogren	Simoneau	
Cohen	Krueger	Osthoff	Skoglund	
Coleman	Larsen	Otis	Solberg	

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

Fjoslien moved to amend H. F. No. 1259, the first engrossment, as amended, as follows:

Page 72, line 6, reinstate the stricken language

Page 72, line 7, reinstate the stricken language

A roll call was requested and properly seconded.

The question was taken on the amendment and the roll was called.

Eken moved that those not voting be excused from voting. The motion did not prevail.

There were 56 yeas and 76 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Graba	Kalis	Piepho	Tunheim
Bennett	Gruenes	Knickerbocker	Quist	Uphus
Blatz	Gutknecht	Krueger	Redalen	Valan
Burger	Halberg	Kvam	Reif	Valento
Dempsey	Haukoos	Levi	Schafer	Waltman
DenOuden	Heap	Ludeman	Schoenfeld	Welker
Dimler	Heinitz	McDonald	Seaberg	Wigley
Erickson	Himle	McKasy	Shaver	Zaffke
Evans	Hoberg	Olsen	Shea	
Findlay	Hokr	Omann	Stadum	
Fjoslien	Jennings	Onnen	Sviggum	
Frerichs	Johnson	Pauly	Thiede	

Those who voted in the negative were:

Anderson, B.	Eken	Marsh	Price	Sparby
Anderson, G.	Elioff	McEachern	Quinn	Staten
Battaglia	Ellingson	Metzen	Rice	Swanson
Beard	Forsythe	Minne	Riveness	Tomlinson
Begich	Greenfield	Munger	Rodosovich	Vanasek
Bergstrom	Gustafson	Murphy	Rodriguez, C.	Vellenga
Berkelman	Hoffman	Nelson, D.	Rodriguez, F.	Voss
Bishop	Jacobs	Nelson, K.	Rose	Welch
Brandl	Jensen	Neuenschwander	St. Onge	Welle
Brinkman	Kahn	Norton	Sarna	Wenzel
Carlson, L.	Kelly	O'Connor	Scheid	Wynia
Clark, J.	Knuth	Ogren	Schreiber	Speaker Sieben
Clark, K.	Kostohryz	Osthoff	Segal	
Clawson	Larsen	Otis	Simoneau	
Cohen	Long	Peterson	Skoglund	
Coleman	Mann	Piper	Solberg	

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

Valento, Schreiber, Levi, Johnson, McDonald, Zaffke, Dimler, McKasy, Burger, Olsen, Rose, Thiede, Pauly, Forsythe and Seaberg moved to amend H. F. No. 1259, the first engrossment, as amended, as follows:

Page 153, delete lines 7 to 36

Delete pages 154 to 156

Page 157, delete lines 1 to 33 and insert:

“Sec. 4. Minnesota Statutes 1982, section 477A.01, is amended by adding a subdivision to read:

Subd. 1a. [PURPOSE.] The state shall annually make payments of local government aids to units of local government within the state, through a distribution formula which is fair and equitable, for the purposes of providing property tax relief.

Sec. 5. Minnesota Statutes 1982, section 477A.011, subdivision 2, is amended to read:

Subd. 2. [(MUNICIPALITY) CITY.] (MUNICIPALITY) City means a statutory or home rule charter city, or a town having the powers of a statutory city pursuant to section 368.01 or special law and having a population of 5,000 or more according to the latest federal census.

Sec. 6. Minnesota Statutes 1982, section 477A.011, is amended by adding a subdivision to read:

Subd. 2a. [TOWN.] Town means a town which does not fall under the definition of city in subdivision 2.

Sec. 7. Minnesota Statutes 1982, section 477A.011, subdivision 3, is amended to read:

Subd. 3. [(POPULATION) NUMBER OF HOUSEHOLDS.] (POPULATION) Number of households means the (POPULATION) number of households established by the most recent federal census, by a special census conducted under contract with the United States bureau of the census, by (A POPULATION) an estimate made by the metropolitan council, or by (A POPULATION) an estimate of the state demographer made pursuant to section 116J.42, subdivision 7, clause (10), whichever is the most recent as to the stated date of the count or estimate.

Sec. 8. Minnesota Statutes 1982, section 477A.011, subdivision 4, is amended to read:

Subd. 4. [EQUALIZED MUNICIPAL MILL RATE.] For any calendar year, a municipality's equalized municipal mill rate means (ITS MUNICIPAL MILL RATE FOR TAXES PAYABLE IN THAT YEAR MULTIPLIED BY ITS AGGREGATE SALES RATIO FOR THE PREVIOUS YEAR AS PREPARED BY THE DEPARTMENT OF REVENUE PURSUANT TO SECTION 124.2131) *the sum of its expenditures in the calendar year for general government, public safety, health and welfare, and public works excluding sewage collection and disposal, and including street cleaning but excluding the other components of the sanitation category, according to the uniform chart of accounts developed and maintained by the state auditor, divided by its equalized assessed value for the calendar year.*

Sec. 9. Minnesota Statutes 1982, section 477A.011, subdivision 5, is amended to read:

Subd. 5. [AVERAGE EQUALIZED MUNICIPAL MILL RATE.] For any calendar year aid distribution, a municipality's average equalized municipal mill rate means the arithmetic average of its equalized municipal mill rate for the (THREE) *two consecutive* calendar years ending two years previous to the aid distribution year.

Sec. 10. Minnesota Statutes 1982, section 477A.011, subdivision 8, is amended to read:

Subd. 8. [(PREVIOUS) BASE YEAR AID.] (FOR THE 1982 AID DISTRIBUTION, A MUNICIPALITY'S PREVIOUS) *Base year aid means (ITS) the aid amount initially certified for distribution in 1981 (COMPUTED) pursuant to Minnesota Statutes 1980, Sections 477A.01 and 477A.03 (, NOTWITHSTANDING THE AMOUNT WITHHELD PURSUANT TO SECTION 16A.15 BECAUSE FUNDS IN THE STATE TREASURY WERE INSUFFICIENT. FOR 1983 AND ALL SUBSEQUENT CALENDAR YEAR AID DISTRIBUTIONS, PREVIOUS YEAR AID MEANS AID RECEIVED PURSUANT TO SECTIONS 477A.011 TO 477A.014 IN THE PREVIOUS CALENDAR YEAR).*

Sec. 11. Minnesota Statutes 1982, section 477A.011, subdivision 11, is amended to read:

Subd. 11. [EQUALIZED ASSESSED VALUE.] For any calendar year (AID DISTRIBUTION), a municipality's equalized assessed value means its (PREVIOUS YEAR) taxable valuation *for taxes payable in that year*, adjusted for the contributions and distributions required by chapter 473F in the case of a city or town located within the metropolitan area and less the captured value 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).

Sec. 12. Minnesota Statutes 1982, section 477A.012, is amended to read:

477A.012 [COUNTY GOVERNMENT DISTRIBUTIONS.]

In each calendar year, every county government except that of a county containing a city of the first class shall receive a distribution equal to its (PREVIOUS) base year aid.

Sec. 13. Minnesota Statutes 1982, section 477A.013, subdivision 1, is amended to read:

Subdivision 1. [(MUNICIPALITIES UNDER 2,500 POPULATION) TOWNS.] In each calendar year, each (MUNICIPALITY WHICH IS NOT COVERED BY THE PROVISIONS OF SUBDIVISION 2) town which has an average equalized mill rate of at least two mills shall receive a distribution equal to the proportion that its (PREVIOUS) base year aid (PLUS ITS MINIMUM INCREASE) bears to the total base year aid for all towns which have average equalized mill rates of at least two mills. The total amount of aid distributed pursuant to this subdivision shall be \$12,500,000 for each calendar year.

Sec. 14. Minnesota Statutes 1982, section 477A.013, subdivision 2, is amended to read:

Subd. 2. [(MUNICIPALITIES OVER 2,500 POPULATION) CITIES.] In each calendar year, each (STATUTORY AND HOME RULE CHARTER) city (, AND EACH TOWN HAVING THE POWERS OF A STATUTORY CITY PURSUANT TO SECTION 368.01 OR SPECIAL LAW, WHICH HAS A POPULATION OF 2,500 OR MORE ACCORDING TO THE LATEST FEDERAL CENSUS) shall (RECEIVE A) have a preliminary distribution equal to (THE AMOUNT OBTAINED BY SUBTRACTING THE PRODUCT OF 10 MILLS AND THE MUNICIPALITY'S EQUALIZED ASSESSED VALUE FROM THE LOCAL REVENUE BASE. THIS AMOUNT SHALL THEN BE ADJUSTED, SO THAT IT IS NEITHER LESS THAN THE SUM OF ITS PREVIOUS YEAR AID AND ITS MINIMUM INCREASE, NOR GREATER THAN THE SUM OF ITS PREVIOUS YEAR AID AND ITS MAXIMUM INCREASE) the sum of the amounts determined under clauses (a), (b), and (c) below:

(a) Each city shall receive \$50 per household;

(b) Fifty percent of the remaining money appropriated for local government aid in that calendar year, after distributions pursuant to section 477A.012; 477A.013, subdivision 1; and clause (a) above, shall be distributed to cities in proportion to the factor obtained by multiplying the city's number of households by the ratio of total per household valuation to the sub-

division's per household valuation, relative to the sum of the factors for all cities in the state. As used in this subdivision, "per household valuation" means a city's equalized assessed value for the calendar year two years previous to the aid distribution year, divided by the city's number of households, and "total per household valuation" means the total equalized assessed value for the calendar year two years previous to the aid distribution year for all cities in the state divided by the total number of households for all cities in the state.

(c) An amount equal to the amount distributed through clause (b) shall be distributed to all cities in proportion to the product of its number of households and equalized mill rate relative to that of the other cities in the state.

For the calendar year 1984 distribution, the final aid amount shall be the weighted average of the preliminary distribution, with a weighting factor of 1, and the base year aid, with a weighting factor of 2.

For the calendar year 1985 distribution, the final aid amount shall be the weighted average of the preliminary distribution, with a weighting factor of 2, and the base year aid, with a weighting factor of 1.

For the calendar year 1986 and subsequent year aid distributions, the final aid amount shall be equal to the preliminary aid amount.

Any city which has a population of less than 2,500 according to the 1980 federal census and which receives a distribution pursuant to this section that is less than the distribution it received in 1983, shall receive a supplemental distribution equal to the amount by which the distribution was reduced.

Sec. 15. Minnesota Statutes 1982, section 477A.03, subdivision 1, is amended to read:

Subdivision 1. [(ANNUAL) APPROPRIATION.] (A SUM SUFFICIENT) *The sum of \$_____ for calendar year 1984 and \$_____ for calendar year 1985 to discharge the duties imposed by sections 477A.011 to 477A.014 is (ANNUALLY) appropriated from the general fund to the commissioner of revenue."*

Page 159, line 32, delete "8, and 9," and insert "6, 7, 9 and 10, and 477A.03, subdivision 2,"

Renumber the remaining sections

A roll call was requested and properly seconded.

The question was taken on the amendment and the roll was called.

Eken moved that those not voting be excused from voting. The motion did not prevail.

There were 53 yeas and 79 nays as follows:

Those who voted in the affirmative were:

Bennett	Frerichs	Knickerbocker	Pauly	Swiggum
Blatz	Craba	Krueger	Piepho	Thiede
Burger	Gutknecht	Kvam	Quist	Uphus
Dempsey	Halberg	Levi	Redalen	Valan
DenOuden	Heap	Ludeman	Reif	Valento
Dimler	Heinitz	McDonald	Rose	Waltman
Erickson	Himle	McEachern	Schafer	Welker
Evans	Hoberg	McKasy	Schreiber	Wigley
Findlay	Hokr	Olsen	Seaberg	Zaffke
Fjoslien	Jennings	Omann	Shaver	
Forsythe	Johnson	Onnen	Stadum	

Those who voted in the negative were:

Anderson, B.	Coleman	Larsen	Peterson	Skoglund
Anderson, G.	Eken	Long	Piper	Solberg
Anderson, R.	Elioff	Mann	Price	Sparby
Battaglia	Ellingson	Marsh	Quinn	Staten
Beard	Greenfield	Metzen	Rice	Swanson
Begich	Gruenes	Minne	Riveness	Tomlinson
Bergstrom	Gustafson	Munger	Rodosovich	Tunheim
Berkelman	Haukoos	Murphy	Rodriguez, C.	Vanasek
Bishop	Hoffman	Nelson, D.	Rodriguez, F.	Vellenga
Brandl	Jacobs	Nelson, K.	St. Onge	Voss
Brinkman	Jensen	Neuenschwander	Sarna	Welch
Carlson, L.	Kahn	Norton	Scheid	Welle
Clark, J.	Kalis	O'Connor	Schoenfeld	Wenzel
Clark, K.	Kelly	Ogren	Segal	Wynia
Clawson	Knuth	Osthoff	Shea	Speaker Sieben
Cohen	Kostohryz	Otis	Simoneau	

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

H. F. No. 1259, A bill for an act relating to the operation of government in this state; modifying the definition of gross income; adopting federal definitions of itemized deductions; updating the references to the Internal Revenue Code; extending the duration of the temporary income tax surtax and changing its computation; modifying the deduction of federal income taxes; assigning certain gambling winnings by nonresidents to Minnesota; imposing withholding tax on certain gambling winnings and horse racing purses; repealing certain income tax credits for pollution control expenditures; limiting the subtraction for unemployment compensation; providing for timely payment of withholding income taxes; modifying the dependent care credit; providing for certain studies; changing the refund method for the sales tax on electricity used in agricultural pro-

duction; clarifying the uses of funds from the non-game wildlife checkoff; making the six percent sales and use tax rate permanent; increasing the motor vehicle excise tax rate to six percent; modifying the enterprise zone law; providing for state tax incentives in enterprise zones; limiting the number of enterprise zones; reducing the corporate income tax rate; eliminating the deduction for certain income and franchise taxes paid by corporations; changing the deduction for corporate capital gains; providing small business investment credits; providing an additional research credit; modifying the definition of market value; requiring additional information on the certificate of value; mandating that homestead affidavits be filed in all counties; requiring that all contracts for deed be recorded; restricting the use of sales ratio studies as evidence; eliminating the agricultural mill rate credit on farm homes; increasing the agricultural mill rate credit on certain property and providing a maximum credit amount; clarifying the property classification for certain timber property; modifying the wetlands credit; modifying the utility property tax credit; changing certain property tax classification ratios; exempting contracts for deed from the mortgage registry tax and providing penalties for failure to file; exempting cities and towns with populations under 5,000 from levy limitations; modifying the method by which levy limitations are calculated; adding a special levy for certain county purposes; establishing a new homestead credit formula for certain homestead property; modifying the property tax refund formula and increasing the maximum credit; changing the payment dates for the property tax refund; altering the sales tax on liquor, wine, and beer; changing the excise tax credit on fermented malt beverages; delaying the effective date of the rent capitalization method used in assessing agricultural land; repealing the native prairie credit and reimbursement; repealing the wetlands reimbursement; modifying school district cash flow; establishing school aid payment dates for fiscal year 1985 and thereafter; requiring that property taxes be paid 15 days earlier; altering property tax settlement dates; modifying the local government aids distribution formula for counties, cities, and towns; phasing out attached machinery aids and reduced assessment aids; enacting the multi-state tax compact; changing the definition of basic cost of cigarettes for purposes of the unfair cigarette sales act; appropriating money; amending Minnesota Statutes 1982, sections 116J.42, subdivision 7; 124.2137, subdivision 1; 272.02, subdivision 1; 272.03, subdivision 8; 272.115, subdivision 1; 273.11, subdivision 1; 273.115, subdivisions 1, 2, and 3; 273.13, subdivisions 6, 6a, 7, 8a, 9, 11, 14a, 17, 17b, 17c, 20, and by adding a subdivision; 273.1312, subdivisions 2, 3, 4, and 5; 273.1313, subdivisions 1, 2, 3, and 5; 273.138, by adding a subdivision; 273.139, by adding a subdivision; 275.50, subdivision 2, and by adding subdivisions; 275.51, by adding subdivisions; 275.53, by adding a subdivision; 276.09; 276.10; 276.11; 278.01, subdivisions 1 and 2; 278.03; 278.05, subdivisions 4 and 5; 279.01, subdivision 1; 287.05, subdivision 1; 290.01, subdivisions 19, 20, 20a, as amended, 20b, as amended, and 20f; 290.05, subdivision 6; 290.06,

subdivisions 1, 2e, as amended, 11, and 14; 290.067, subdivisions 1 and 2; 290.068, by adding a subdivision; 290.09, subdivisions 1, 2, 3, as amended, 4, 5, 28, and 29; 290.091; 290.14; 290.16, subdivision 4; 290.17, subdivision 2; 290.18, subdivisions 1 and 2; 290.21, subdivisions 1 and 3; 290.23, subdivision 5; 290.31, subdivisions 2 and 3; 290.39, subdivision 2; 290.431; 290.46; 290.92, subdivisions 2a, 6, and by adding subdivisions; 290A.03, subdivisions 3, 6, 8, 11, 13, as amended, and by adding a subdivision; 290A.04, subdivisions 1, 2, 2a, 2b, and 3; 290A.07, subdivision 2a; 290A.16; 290A.18; 290A.19; 297A.02, as amended; 297A.03, subdivision 2, as amended; 297A.14, as amended; 297A.35, subdivision 3; 297B.02, as amended; 325D.32, subdivision 9; 340.14, subdivision 1; 340.47, subdivision 2; 473F.08, subdivision 7a; 477A.011, subdivisions 6, 7, 10, and by adding subdivisions; 477A.012; 477A.013; 477A.014, subdivision 1; and Laws 1981, First Special Session chapter 1, article II, section 25; and Third Special Session chapter 2, article III, section 22, as amended; proposing new law coded in Minnesota Statutes, chapters 116C; 124; 273; 290; 477A; and 507; repealing Minnesota Statutes 1982, sections 273.116; 273.138, subdivisions 1, 2, 3, 4, 5, and 6; 273.139, subdivisions 1 and 2; 273.42, subdivision 2; 273.425; 275.51, subdivisions 3e and 5; 290.01, subdivisions 23, 27, and 28; 290.032, subdivision 5; 290.06, subdivisions 9 and 9a; 290.077, subdivision 2; 290.08, subdivision 25; 290.09, subdivisions 10, 15, 22, and 27; 290.21, subdivision 3a; 290.501; 290A.07, subdivision 3; 340.986; 352C.07; 477A.011, subdivisions 8 and 9; and Laws 1982, chapter 523, article VII, section 3; and Third Special Session chapter 1, article V, 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 74 yeas and 58 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Eken	Larsen	Otis	Skoglund
Anderson, C.	Elioff	Long	Peterson	Solberg
Battaglia	Ellingson	Mann	Piper	Sparby
Beard	Graba	McEachern	Price	Staten
Begich	Greenfield	Metzen	Quinn	Swanson
Bergstrom	Custafson	Minne	Rice	Tomlinson
Berkelman	Hoffman	Munger	Riveness	Tunheim
Brandl	Jacobs	Murphy	Rodosovich	Vanasek
Brinkman	Jensen	Nelson, D.	Rodriguez, C.	Vellenga
Carlson, L.	Kahn	Nelson, K.	Rodriguez, F.	Welch
Clark, J.	Kalis	Neuenschwander	St. Onge	Welle
Clark, K.	Kelly	Norton	Sarna	Wenzel
Clawson	Knuth	O'Connor	Scheid	Wynia
Cohen	Kostohryz	Ogren	Shea	Speaker Sieben
Coleman	Krueger	Osthoff	Simoneau	

Those who voted in the negative were:

Anderson, R.	Bishop	Burger	DenOuden	Erickson
Bennett	Blatz	Dempsey	Dimler	Evans

Findlay	Himle	McDonald	Rose	Uphus
Fjoslien	Hoberg	McKasy	Schafer	Valan
Forsythe	Hokr	Olsen	Schoenfeld	Valento
Frerichs	Jennings	Omann	Schreiber	Voss
Gruenes	Johnson	Onnen	Seaberg	Waltman
Gutknecht	Knickerbocker	Pauly	Segal	Welker
Halberg	Kvam	Piepho	Shaver	Wigley
Haukoos	Levi	Quist	Stadum	Zaffke
Heap	Ludeman	Redalen	Sviggum	
Heinitz	Marsh	Reif	Thiede	

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

Blatz, Halberg and Stadum were excused for the remainder of today's session.

SPECIAL ORDERS

The Speaker called Wynia to the Chair.

S. F. No. 463 was reported to the House.

Schreiber and others withdrew their amendment, as amended, pending to S. F. No. 463, as reported in the Journal of the House for Thursday, May 5, 1983.

Schreiber moved to amend S. F. No. 463, as follows:

Page 1, after line 12, insert

"Section 1. Minnesota Statutes 1982, section 458.09, subdivision 1, is amended to read:

Subdivision 1. A commission to be known as "Port Authority of _____" (IS HEREBY) *may be established in and for (EVERY) any city of the first class (SITUATED UPON, OR ADJACENT TO, OR EMBRACING WITHIN ITS BOUNDARIES, IN WHOLE OR IN PART, A PORT OR HARBOR LOCATED ON A NAVIGABLE LAKE OR STREAM) or second class, however organized, by resolution of its governing body.* Sections 458.09 to 458.19 are expressly declared to be applicable to all such cities. Those port authorities now or hereafter having jurisdiction over harbors located on the Great Lakes-St. Lawrence seaway system shall be known and are referred to in sections 458.09 to 458.19 as seaway port authorities. A port authority shall be a body politic and corporate in the state of Minnesota with the right to sue and be sued in the names above designated. A port authority shall also be considered a governmental subdivision within the meaning of section 282.01. The exercise by any such authority or commission of any of its powers shall be deemed and held to be essential governmental functions of the state of Minnesota, but any such authority shall not be immune from liability by reason thereof.

Sec. 2. Minnesota Statutes 1982, section 458.17, is amended to read:

458.17 [ADDITIONAL POWERS.]

The port authority, in its own name, shall have full power and authority to acquire, purchase, construct, lease, or operate any bulkheads, jetties, piers, wharves, docks, landing places, warehouses, storehouses, elevators, cold storage plants, terminals, bridges, and such other terminal or transportation facilities as may be necessary or convenient for storing, handling, or transporting freight, for the handling of passenger traffic, and for the establishment of rail and water transfer within the district; to make rules, regulations, and charges for the use thereof, and for any service rendered; for such purposes to own, hold, lease, or operate real and personal property, to borrow money and to secure the same by bonds or mortgages upon any property held or to be held by it, and in the case of any seaway port authority only to issue and sell negotiable revenue bonds of the port authority for such purposes, or any of the purposes outlined in this chapter for the development of a seaport, such bonds to be issued, sold and secured in the same manner as provided below for the construction of a vehicular toll bridge or tunnel, except that a trust indenture may but is not required to be executed, and in and by the resolutions and indenture, if any, authorizing the bonds the port authority shall define the facilities whose net revenues are to be pledged thereto, and may in its discretion mortgage such facilities to a trustee for the bondholders, which facilities may be all of those owned by the authority (except any vehicular bridge or tunnel), and all subsequent additions thereto and betterments thereof, or may be restricted to one or more described facilities, including or not including the facilities financed by the bonds, and may be facilities which are either operated by the authority or are leased to others, and the authority may establish such covenants and restrictions regarding the issuance of additional bonds payable from net revenues of the same facilities, the subsequent amendment of the bond resolutions or indenture, the remedies and priorities of the bondholders in the event of default and, without limitation, all such other matters pertinent to the security of the bonds, as the authority may determine to be necessary for the marketing of the bonds to the best advantage; to sell, convey, and exchange any real or personal property owned or held by it in such manner and on such terms as it may see fit, save that no real property owned by the authority shall be so sold, exchanged, or the title thereto transferred without the unanimous approval of the members of the port authority in attendance when such a sale, conveyance, exchange or transfer of real property is authorized, provided that no such sale, conveyance, exchange or transfer of real property shall be considered at any meeting unless all commissioners have been given at least ten days written notice that such a sale, conveyance, exchange or transfer will be voted upon at a special or regular meeting, which notice shall contain a complete descrip-

tion of the affected real estate, and provided further that such authorization shall not be given unless there is at least a quorum present. The port authority is hereby empowered to acquire by condemnation any property, corporeal or incorporeal, within the port district which may be needed by it for public use; and the fact that the property so needed has been acquired by the owner under the power of eminent domain or is already devoted to a public use shall not prevent its acquisition by the port authority by the exercise of the right of eminent domain hereby conferred. No property now or hereafter vested in or held by the state of Minnesota, or any city, county, school district, town, or other municipality, shall be so taken or acquired by the port authority without the consent of the state, municipality, or governmental subdivision. The necessity of the taking of any property by the port authority shall be determined by resolution duly adopted by the commissioners, which shall describe the property as nearly as may be and state the use and purpose to which it is to be devoted. The acquisition of such property shall be thereafter accomplished by proceedings by law, as in taking land for public use by right of eminent domain under the laws of the state.

In addition to the power and authority heretofore conferred upon the port authority, the port authority, in its own name, shall have full power and authority to acquire and thereafter operate and maintain any existing vehicular toll bridge across any waters which form a common boundary between any city of the first class or second class, however organized, in the state and any other city either within or without the state and to reconstruct, improve, and repair such existing bridge; and to construct, maintain, and operate an additional vehicular toll bridge and approaches across these waters at a point suitable to the interests of navigation, and to reconstruct, repair, and improve the same; and to construct, maintain, and operate a tunnel under these waters and to reconstruct, repair, and improve the same; and to issue and sell the negotiable revenue bonds of the port authority for such purposes. Such bonds shall be authorized by resolutions as the port authority may determine from time to time, such resolutions to contain such provisions with respect to the form thereof and maturity, interest rate, sinking fund, redemption, and refunding as are customary and usual; and such bonds shall be issued under a trust indenture from the port authority to a corporate trustee, which indenture shall contain the usual and customary provisions with respect to the issuance of bonds, the application of the revenues of such bridge or tunnel for the creation of a sinking fund to provide for the payment of such bonds and interest thereon, and for the holding of the proceeds of the bonds in a special trust for the purpose of acquiring or constructing such bridge or tunnel, and for the pledge and assignment by the port authority to the trustee under such trust indenture of the revenues of such bridge or tunnel over and above the cost of operation and maintenance thereof as security for the payment of the principal of and interest on such bonds. The port authority shall establish, maintain, and collect tolls for transit over such bridge or through such tunnel acquired or con-

structed hereunder sufficient at all times to pay the cost of the operation and maintenance thereof and to pay the principal of and interest on the bonds issued hereunder; and such bonds and the coupons evidencing interest thereon shall constitute an irrevocable contract between the holders thereof and the port authority that such tolls shall always be sufficient therefor. No bonds issued hereunder shall bear interest at a rate exceeding eight percent per annum and all such bonds so issued hereunder shall be sold for not less than par and accrued interest to the date of delivery and payment and may be sold at private sale without prior publication of notice thereof. All such bonds issued hereunder shall never constitute an indebtedness of any such city of the first class or *second class* chargeable to its debt limit or payable from ad valorem taxes, but such bonds shall be payable solely and only from the toll revenues earned by such bridge or tunnel pledged to the payment thereof.

When the port authority determines to acquire any of these existing bridges, or to construct the additional bridge or tunnel, the port authority shall have all rights and powers to enter upon lands and to acquire, condemn, occupy, possess, and use such real estate and other property as may be needed for the location, construction, operation, and maintenance of such bridge or tunnel and approaches thereto as are possessed by railroad corporations for railroad purposes, or by bridge corporations for bridge purposes in the state in which such real estate or other property is situated, upon making just compensation therefor to be ascertained and paid according to the laws of the state in which such property may be located and the proceedings therefor shall be the same as in condemnation or expropriation of property for public purposes in such state.

The port authority shall also have full right and power to cause to be made a survey or investigation relating to the proper uses, operations, improvement, and development of the port district, the stimulation of employment by reason thereof, and the benefit to the city and county in which such district lies and to the state of Minnesota. The port authority may also cause to be prepared a plan for future construction, development, and improvement of the port, which plan may be integrated into any existing or future city plans of any city in the port district. Upon completion of the plan, and after public hearing, such port authority may adopt the same as its official plan for the port district. Thereafter such plan may be extended, modified, or amended after hearing. Upon the adoption of any such plan, all improvements made by such port authority shall conform thereto.

Any seaway port authority may also operate its port terminal facilities constructed on their premises as terminal operators and as such, may contract with a warehouse operator or operators performing other terminal services on an agency basis. They may enter into such a contract which may provide that the agent will be paid a compensation on a monthly basis to operate

the facilities and that said agent may hire the necessary personnel to carry all the functions assumed in said contract, and that any and all employees engaged by said agent shall be considered employees of such agent and not of the port authority, and he shall be responsible for the payment of their compensation and in compliance with all local ordinances, state or federal laws in regard to employees. Such seaway port authority may also contract with any other agent or agents for the performing of any and all functions that the port authority has power by law to execute in a like manner. In contracting with so-called managing agent, but in remaining the terminal operator, the seaway port authority may contract to retain power over the setting of all rates for any services to be performed in any terminal facility owned, leased, or operated by said seaway port authority.

Sec. 3. Minnesota Statutes 1982, section 458.191, subdivision 2, is amended to read:

Subd. 2. It is hereby declared to be the public policy of the legislature of the state of Minnesota that it is in the public interest to empower the port authority to employ the power of eminent domain, and for such port authority to advance and expend public moneys for the purposes contained in Laws 1957, Chapter 812, and to provide for means by which marginal area properties may be developed or redeveloped in accordance with the legislative policies hereinafter stated.

(1) A sound development of the economic security of the peoples of the city of the first class *or second class, however organized*, in which is situated such port authority is dependent upon proper development and redevelopment of marginal properties, and the general welfare of the inhabitants of the port districts in which they exist require the remedying of such injurious conditions to which marginal properties are now subject; and

(2) The development and redevelopment of such marginal area properties cannot be accomplished by private enterprise alone without public participation and assistance in the acquisition of land and planning and in the financing of land assembly in the work of clearance, development and redevelopment, and in the making of improvements necessary therefor.

(3) To protect and promote sound development and redevelopment of marginal lands as hereinafter defined, and the general welfare of the inhabitants of the port districts in which they exist, to remedying such injurious conditions through the employment of all appropriate means.

(4) That whenever the development or redevelopment of such marginal lands cannot be accomplished by private enterprise alone, without public participation and assistance in the acquisition of land and planning and in financing of land as-

sembly in the work of clearance, development and redevelopment, and in the making of improvements necessary therefor, it is in the public interest to employ the power of eminent domain, to advance and expend public moneys for those purposes, and to provide for means by which such marginal lands may be developed or redeveloped.

(5) That the development or redevelopment of such marginal lands and the provision of appropriate continuing land use constitute public uses and purposes for which public moneys may be advanced or expended and private property acquired, and are governmental functions and are of state concern in the interest of health, safety and welfare of the peoples of the state of Minnesota and of the communities in which such areas exist.

(6) That the necessity in the public interest for the provision of Laws 1957, Chapter 812, is declared to be a matter of legislative determination."

Renumber sections in sequence

Page 2, after line 6, insert:

"Sec. 7. Minnesota Statutes 1982, section 458.193, subdivision 1, is amended to read:

Subdivision 1. In anticipation of the receipt by the port authority of payments, appropriations, rents and profits and of income from any other source and for the purpose of securing funds as needed by such port authority for the payment of the cost of property acquired and for other purposes as herein authorized, the port authority is hereby authorized to issue bonds in such principal amount as shall be authorized by the governing body of the city of the first class or *second class, however organized*, in which such port authority is situated. Such bonds shall be in such amount and form and bear interest at such rate as the said governing body of such city of the first class shall prescribe and shall be sold by such port authority to the highest bidder therefor after notice of the time and the place for the receiving of the bids has been published once at least two weeks prior to the date of receiving bids. Except as otherwise provided in Laws 1957, Chapter 812, the issuance of the bonds herein authorized by such port authority shall be governed by provisions of Minnesota Statutes, Chapter 475, and such port authority when issuing such bonds shall be deemed to be embraced within the meaning of the term "municipal corporation" as said term is used in Minnesota Statutes, Chapter 475. Notwithstanding any provision to the contrary included within the charter of any such city or any general or special law of the state of Minnesota, such bonds may be issued and sold without submission of the question thereof to the electors of such city of the first class or

second class, provided, however, that the ordinance of the governing body of such city authorizing issuance of such bonds by such port authority shall be subject to any provisions in the charter of such city pertaining to the procedure for referendum of ordinances enacted by such governing body. Any such bonds issued by any such port authority of any city of the first class or *second class* shall not be included in computing the net indebtedness of (SUCH) *the city (OF THE FIRST CLASS)* under any applicable law or charter provision. The receipt and expenditure of any moneys received hereunder shall not be included within the definition of any limitation imposed on per capita taxing or spending in the charter of any such city of the first class or *second class*, and such exemption from such limitation shall apply to such port authority. The taxing powers granted to cities of the first class or *second class* in connection with Laws 1957, Chapter 812, in any manner shall be in addition to all taxing powers now possessed by them.

Sec. 8. Minnesota Statutes 1982, section 458.193, subdivision 4, is amended to read:

Subd. 4. The bonds shall be secured by the pledge of the full faith, credit and resources of the city of the first class or *second class, however organized*, in which said port authority has been created. Said port authority is hereby authorized to pledge such full faith, credit and resources of said city only upon the specific authorization of the governing body of said city that said port authority may so do. The propriety of the issuance of bonds in any specific case and the amount thereof shall be a matter of decision for such governing body in the first instance. The specific consent to the pledge of such full faith, credit and resources of the city of the first class or *second class* shall be conclusively presumed from formal action of the governing body of such city, taken by ordinance. Such bonds shall be paid, both in the principal amount thereof and the interest thereon, by the port authority from tax levies as hereinafter provided for the purpose of repayment, the earnings and all income received by such port authority from whatever source it may be derived."

Renumber sections in sequence

Page 2, after line 35, insert:

"Sec. 11. Minnesota Statutes 1982, section 458.194, subdivision 6, is amended to read:

Subd. 6. Revenue bonds issued under the provisions of this section shall not be deemed to constitute a debt of the city of the first class or *second class, however organized*, in which such authority is located and for which it has been created, nor a pledge of the full faith and credit of any such city of the first class, but

such bonds shall be payable solely from the funds herein provided therefor from revenues of the projects. All such revenue bonds shall contain on the face thereof a statement to the effect that neither the port authority nor the city of the first class or second class in which the port authority has been created shall be obligated to pay the same or the interest thereon except from revenues, and that neither the faith and credit nor the taxing power of such city of the first class or second class is pledged to the payment of the principal of or the interest on such bonds."

Renumber remaining section in sequence

Page 3, after line 9, insert:

"Sec. 12. Minnesota Statutes 1982, section 458.195, subdivision 6, is amended to read:

Subd. 6. It shall have the power in carrying out the provisions for which said industrial development district has been created, to develop and improve the lands within such industrial development district to make the same suitable and available for industrial uses and purposes; to dredge, bulkhead, fill, grade and protect such property; to do any and all things necessary after the acquisition of such property to put the said property in such condition as is necessary and expedient to make it suitable and attractive as an industrial tract for industrial development thereon; to execute leases of such lands or property or any part thereof; to establish local improvement districts within such industrial development district which may, but need not be, coextensive with the boundaries thereof and generally to exercise, with respect to and within such industrial development districts all the powers now or hereafter conferred by law upon port authorities of cities of the first class or second class, however organized."

Renumber remaining section in sequence

Page 3, after line 34, insert:

"Sec. 13. Minnesota Statutes 1982, section 458.199, is amended to read:

458.199 [CITY OF FIRST CLASS OR SECOND CLASS MAY LEVY TAXES FOR BENEFIT OF PORT AUTHORITY.]

To enable such port authority efficiently and in the public interest to carry out the aims and purposes of Laws 1957, Chapter 812, in the creation and development of industrial development districts as herein provided, any such city of the first class or second class in which such port authority has been created and is existing shall have the power, upon request of such port au-

thority and in addition to all other powers now possessed thereby, and in addition to and in excess of any limitation upon the amount it is otherwise permitted by law to levy as taxes, to levy taxes for the benefit of and for expenditure by such port authority, not exceeding in any one year an amount equal to 7/60 of one mill upon the dollar of the assessed valuation thereof, upon all the taxable property in such city, excluding money and credits; and any money levied for such purpose shall be paid over by the county treasurer to the treasurer of the port authority for expenditure by it as in its judgment best serves the public interest in the carrying on and the execution of its duties in the creation and development of such industrial development districts. The levy herein provided shall be in addition to that provided for in Minnesota Statutes, Section 458.14.

Sec. 14. Minnesota Statutes 1982, section 458.1991, is amended to read:

458.1991 [POWERS AS TO WORK, LABOR AND SUPPLIES.]

The provisions of Section 15 of Chapter 341, Laws of the State of Minnesota for 1933, shall apply to all construction work and every purchase of equipment, supplies, or materials necessary in carrying out the provisions of Laws 1957, Chapter 812. The powers there granted to, and the duties imposed upon the board of trustees of the corporation therein referred to are hereby granted to and imposed upon the members of any such port authority. The port authority is hereby given the power and authority to use the facilities of the purchasing department of any city of the first class or second class, however organized, in which such port authority is created and existing in connection with construction work and every purchase of equipment, supplies or materials, as such port authority sees fit to use such facilities.

Sec. 15. [458.1992] [NOTICE TO SECRETARY OF STATE.]

A certified copy of a resolution establishing a port authority pursuant to section 458.09, shall, after its adoption, be filed with the secretary of state as a public record.

Sec. 16. [EXISTING PORT AUTHORITIES.]

The requirements of a resolution by the governing body of a city for the establishment of a port authority pursuant to section 1 of this act shall not affect a city where a port authority has been established before the effective date of this act."

Renumber remaining section in sequence

Further, amend the title as follows:

Page 1, line 2, after the semicolon insert "authorizing the establishment of port authorities for cities of the first and second class"

Page 1, line 7, after "sections" insert "458.09, subdivision 1; 458.17; 458.191, subdivision 2;"

Page 1, line 8, before "458.194," insert "458.193, subdivisions 1 and 4;"

Page 1, line 9, after "3" insert "and 6"

Page 1, line 9, delete the second "and" before "458.195,"

Page 1, line 9, after "458.195," insert "subdivision 6, and"

Page 1, line 10, before the period insert "; 458.199 and 458.1991; and proposing new law coded in Minnesota Statutes, chapter 458"

A roll call was requested and properly seconded.

CALL OF THE HOUSE LIFTED

Sarna moved that the call of the House be dispensed with. The motion prevailed and it was so ordered.

The question recurred on the Schreiber amendment and the roll was called. There were 42 yeas and 81 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Gutknecht	Levi	Quist	Swanson
Burger	Heinitz	Marsh	Redalen	Thiede
Carlson, L.	Himle	McKasy	Reif	Valan
Ellingson	Hoberg	Minne	Rose	Valento
Findlay	Hokr	Norton	Scheid	Voss
Fjoslien	Jacobs	Olsen	Schreiber	Wenzel
Forsythe	Knickerbocker	Pauly	Seaberg	
Frerichs	Knuth	Piepho	Segal	
Gruenes	Kvam	Quinn	Shaver	

Those who voted in the negative were:

Anderson, B.	Clark, J.	Elioff	Jensen	Mann
Anderson, G.	Clark, K.	Erickson	Johnson	McDonald
Battaglia	Clawson	Evans	Kahn	McEachern
Beard	Cohn	Graba	Kalis	Metzen
Begich	Coleman	Greenfield	Kelly	Munger
Berkelman	Dempsey	Gustafson	Kostohryz	Murphy
Bishop	DenOuden	Haukoos	Larsen	Nelson, D.
Brandl	Dinler	Hoffman	Long	Nelson, K.
Brinkman	Eken	Jennings	Ludeman	Neueaschwander

O'Connor	Price	Schafer	Swiggum	Wigley
Ogren	Rice	Schoenfeld	Tomlinson	Wynia
Omann	Riveness	Shea	Uphus	Zaffke
Onnen	Rodosovich	Simoneau	Vanasek	Speaker Sieben
Osthoff	Rodriguez, C.	Skoglund	Vellenga	
Otis	Rodriguez, F.	Solberg	Welch	
Peterson	St. Onge	Sparby	Welker	
Piper	Sarna	Staten	Welle	

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

Heinitz was excused for the remainder of today's session.

Norton moved to amend S. F. No. 463, as follows:

Page 3, after line 24, insert:

"Sec. 8. [458.1992] [PROGRAMS TO AID STRUCTURALLY UNEMPLOYED.]

Subdivision 1. A port authority or municipality exercising the powers of a port authority is authorized and encouraged to adopt policies and programs, consistent with its other statutory duties and purposes, that target and maximize the number of new jobs created for structurally unemployed individuals through its redevelopment and development activities. These policies and programs may include, but need not be limited to, first source agreements which require developers or other benefiting businesses to make jobs available initially to structurally unemployed individuals. For purposes of this section, "structurally unemployed individual" includes qualified economically disadvantaged persons as defined in the federal Job Training Partnership Act of 1982, 96 Statutes at Large 1322 and the members of targeted groups under section 51(d) of the Internal Revenue Code of 1954, as amended through January 1, 1983.

Subd. 2. The port authority and a municipality exercising the powers of a port authority shall collect and maintain data on (1) the number of permanent jobs created by its projects, including the issuance of industrial revenue bonds, the use of tax increment financing, and other development subsidies, (2) the average and median wages paid for these jobs, and (3) a statistical profile of the individuals hired to fill the jobs, including the number of structurally unemployed individuals hired. The data collected shall annually be reported to the legislature on or before February 15."

Further amend the title as follows:

Page 1, line 6, after the semicolon insert "authorizing port authority programs to encourage the employment of structurally unemployed individuals;"

A roll call was requested and properly seconded.

The question was taken on the amendment and the roll was called. There were 74 yeas and 40 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Elioff	Metzen	Quinn	Solberg
Battaglia	Ellingson	Minne	Quist	Sparby
Beard	Greenfield	Munger	Rice	Staten
Begich	Gustafson	Murphy	Riveness	Swanson
Berkelman	Hoffman	Nelson, D.	Rodosovich	Tomlinson
Brandl	Jacobs	Neuenschwander	Rodriguez, C.	Tunheim
Brinkman	Jensen	Norton	Rodriguez, F.	Vanasek
Burger	Kahn	O'Connor	St. Onge	Vellenga
Carlson, L.	Kelly	Ogren	Sarna	Voss
Clark, J.	Knuth	Onnen	Scheid	Welch
Clark, K.	Kostohryz	Osthoff	Seaberg	Welle
Clawson	Larsen	Otis	Segal	Wenzel
Cohen	Long	Peterson	Shea	Wynia
Coleman	Mann	Piper	Simoneau	Speaker Sieben
Eken	McEachern	Price	Skoglund	

Those who voted in the negative were:

Anderson, G.	Forsythe	Kalis	Olsen	Shaver
Bishop	Frerichs	Knickerbocker	Pauly	Swiggum
Dempsey	Graba	Krueger	Piepho	Thiede
DenOuden	Cutknecht	Kvam	Redalen	Uphus
Dimler	Haukoos	Levi	Rose	Waltman
Erickson	Heberg	Ludeman	Schafer	Welker
Findlay	Jennings	Marsh	Schoenfeld	Wigley
Fjoslien	Johnson	McDonald	Schreiber	Zaffke

The motion prevailed and the amendment was adopted.

S. F. No. 463, A bill for an act relating to port authorities; authorizing revenue bond financing of certain facilities; eliminating the interest rate limit on revenue bonds and authorizing private sale; clarifying contractual and operational authority of port authorities; amending Minnesota Statutes 1982, sections 458.192, subdivisions 1, 4, and by adding a subdivision; 458.194, subdivisions 2, 3, and by adding a subdivision; and 458.195, 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 75 yeas and 46 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Beard	Carlson, L.	Cohen	Elioff
Anderson, G.	Begich	Clark, J.	Coleman	Ellingson
Anderson, R.	Berkelman	Clark, K.	Dempsey	Evans
Battaglia	Brandl	Clawson	Eken	Greenfield

Gustafson	Mann	Ogren	Rodosovich	Staten
Himle	McEachern	Oris	Rodriguez, C.	Swanson
Hoffman	McKasy	Pauly	Rodriguez, F.	Tomlinson
Jensen	Metzen	Peterson	St. Ongc	Vanasek
Kahn	Munger	Piepho	Sarna	Vellenga
Kalis	Murphy	Piper	Schoenfeld	Vess
Kelly	Nelson, D.	Price	Segal	Welch
Knuth	Nelson, K.	Quinn	Simoneau	Welle
Larsen	Neuenschwander	Reif	Skoglund	Wenzel
Levi	Norton	Rice	Solberg	Wynia
Long	O'Connor	Riveness	Sparby	Speaker Sieben

Those who voted in the negative were:

Bennett	Frerichs	Krueger	Schafer	Valan
Bergstrom	Gruenes	Ludeman	Scheid	Valento
Bishop	Gutknecht	Minne	Schreiber	Waltman
Burger	Haukoos	Olsen	Seaberg	Welker
DenOuden	Heap	Omann	Shaver	Wigley
Dimler	Hoberg	Onnen	Shea	Zalike
Erickson	Hokr	Osthoff	Sviggum	
Findlay	Jennings	Quist	Thiede	
Fjoslien	Knickerbocker	Redalen	Tunheim	
Forsythe	Kostohryz	Rose	Uphus	

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

S. F. No. 800 was reported to the House:

Brandl moved to amend S. F. No. 800, as follows:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1982, section 144.335, subdivision 2, is amended to read:

Subd. 2. [PATIENT ACCESS.] Upon request a provider shall supply to a patient complete and current information possessed by that provider concerning any diagnosis, treatment and prognosis of the patient in terms and language the patient can reasonably be expected to understand.

Upon a patient's written request, a provider at a reasonable cost to the patient shall furnish to the patient: ((A)) copies of the patient's health record, including but not limited to laboratory reports, x-rays, prescriptions, and other technical information used in assessing the patient's health condition (; (B)). *With the consent of the patient, the provider may instead furnish only the pertinent portion of the record relating to a specific condition (;) or ((C)) a summary of the record. The provider shall respond within two weeks of receipt of the appropriate written request.*

If a provider, as defined in subdivision 1, clause (b) (1), reasonably determines that the information is detrimental to the

(PHYSICAL OR) mental health of the patient, or is likely to cause the patient to harm himself or another, he may withhold the information from the patient. The information may be supplied to an appropriate third party or to another provider, as defined in subdivision 1, clause (b) (1). The provider or third party may release the information to the patient.

Sec. 2. Minnesota Statutes 1982, section 145.32, is amended to read:

145.32 [OLD RECORDS MAY BE DESTROYED.]

Subdivision 1. [HOSPITAL RECORDS.] The superintendent or other chief administrative officer of any (SUCH) public or private hospital, by and with the consent and approval of (SUCH) the board of directors or other governing body thereof, (IS AUTHORIZED TO) may divest the files and records of (SUCH) that hospital of any (SUCH) individual case records bearing dates more than three years prior to the date of (SUCH) the divestiture and, with (SUCH) that consent and approval, to destroy the same. (SUCH) The records shall first have been transferred and recorded as authorized in section 145.30.

Portions of individual hospital medical records that comprise an individual permanent medical record, as defined by the commissioner of health, shall be retained as authorized in section 145.30. Other portions of the individual medical record, including any miscellaneous documents, papers, and correspondence in connection with them, may be divested and destroyed after seven years without transfer to photographic film.

All portions of individual hospital medical records of minors shall be maintained for seven years following the age of majority.

Nothing in this section shall be construed to prohibit the retention of hospital medical records beyond the periods described in this section. Nor shall anything in this section be construed to prohibit patient access to hospital medical records as provided in section 144.335.

Subd. 2. [RESPONSIBILITIES OF THE COMMISSIONER OF HEALTH.] The commissioner of health shall define the term "individual permanent medical record" by enumerating the specific types of records or other information which, at a minimum, must be maintained on a permanent basis by the hospital. The commissioner of health shall propose the definition by publishing it in the state register and allowing a period of 60 days from the date of publication for interested persons to submit written comments to the commissioner. Within 60 days after the close of the comment period, and, after considering any comments received, the commissioner shall adopt the definition in final form. The definition is exempt from the definition of "rule"

in section 14.02, subdivision 4, and has the force and effect of law upon compliance with section 14.38, subdivision 7. The effective date of the definition occurs as prescribed in section 14.38, subdivision 8."

Delete the title and insert:

"A bill for an act relating to health; changing requirements for release of records; providing for retention and destruction of certain medical records; amending Minnesota Statutes 1982, sections 144.335, subdivision 2; and 145.32."

The motion prevailed and the amendment was adopted.

S. F. No. 800, A bill for an act relating to health; providing for retention and destruction of certain medical records; amending Minnesota Statutes 1982, section 145.32.

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. There were 126 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Evans	Krueger	Peterson	Sparby
Anderson, C.	Findlay	Kvam	Piepho	Staten
Anderson, R.	Fjoslien	Larsen	Piper	Sviggum
Battaglia	Forsythe	Levi	Price	Swanson
Beard	Frerichs	Long	Quist	Thiede
Begich	Graba	Ludeman	Redalen	Tomlinson
Bennett	Greenfield	Mann	Reif	Tunheim
Bergstrom	Gruenes	Marsh	Rice	Uphus
Berkelman	Gustafson	McEachern	Riveness	Valan
Bishop	Gutknecht	McKasy	Rodosovich	Valento
Brandl	Haukoos	Metzen	Rodriguez, C.	Vanasek
Brinkman	Heap	Minne	Rodriguez, F.	Vellenga
Burger	Himle	Munger	Rose	Voss
Carlson, L.	Hoberg	Murphy	St. Onge	Waltman
Clark, J.	Hoffman	Nelson, D.	Sarna	Welch
Clark, K.	Hokr	Nelson, K.	Schafer	Welker
Clawson	Jacobs	Neuenschwander	Scheid	Welle
Cohen	Jennings	Norton	Schoenfeld	Wenzel
Coleman	Jensen	O'Connor	Schreiber	Wigley
Dempsey	Johnson	Ogren	Seaberg	Wynia
DenOuden	Kahn	Olsen	Segal	Zaffke
Dinler	Kalis	Omann	Shaver	Speaker Sieben
Eken	Kelly	Onnen	Shea	
Elioff	Knickerbocker	Osthoff	Simoneau	
Ellingson	Knuth	Otis	Skoglund	
Erickson	Kostohryz	Pauly	Solberg	

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

Rodriguez, F., was excused for the remainder of today's session.

S. F. No. 1003 was reported to the House.

Brandl moved to amend S. F. No. 1003, as follows:

Delete everything after the enacting clause and insert:

"Section 1. [256B.71] [SOCIAL HEALTH MAINTENANCE ORGANIZATION DEMONSTRATION.]

Subdivision 1. [PURPOSE.] The commissioner of public welfare may participate in social health maintenance organization demonstration projects to determine if prepayment combined with the delivery of alternative services is an effective method of delivering services while containing costs.

Subd. 2. [CASE MANAGEMENT.] Each participating provider approved by the commissioner shall serve as case manager for recipients enrolled in its plan. Each participating provider:

(1) may provide the full range of services listed in section 256B.02, subdivision 8, in order to ensure appropriate health care is delivered to enrollees; and

(2) shall authorize all services provided to enrollees.

Subd. 3. [ENROLLMENT OF MEDICAL ASSISTANCE RECIPIENTS.] Medical assistance recipients may voluntarily enroll in the social health maintenance organization projects. However, once a recipient enrolls in a project, he or she must remain enrolled for a period of six months.

Subd. 4. [PAYMENT FOR SERVICES.] Notwithstanding section 256.966 and chapter 256B, the method of payment utilized for the social health maintenance organization projects shall be the method developed by the commissioner of public welfare in consultation with local project staff and the federal Department of Health and Human Services, Health Care Financing Administration, Office of Demonstrations. This subdivision applies only to the payment method for social health maintenance organization projects.

Subd. 5. [PRE-ADMISSION SCREENING.] Except as applicable to the projects' operation, the provisions of section 256B.091 are waived for the purposes of this section for recipients enrolled with participating providers.

Sec. 2 [EFFECTIVE DATE.]

This act is effective the day following final enactment."

The motion prevailed and the amendment was adopted.

S. F. No. 1003, A bill for an act relating to public welfare; establishing a medical assistance social health maintenance organization demonstration project; proposing new law coded in Minnesota Statutes, chapter 256B.

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 4 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Elioff	Knuth	Pauly	Sparby
Anderson, G.	Ellingson	Kostohryz	Peterson	Staten
Anderson, R.	Evans	Krueger	Piepho	Sviggum
Battaglia	Findlay	Kvam	Piper	Swanson
Beard	Fjoslien	Larsen	Price	Thiede
Begich	Forsythe	Levi	Quinn	Tomlinson
Bennett	Graba	Long	Redalen	Tunheim
Bergstrom	Greenfield	Mann	Reif	Uphus
Berkelman	Gruenes	Marsh	Rice	Valan
Bishop	Gustafson	McKasy	Riveness	Valento
Blatz	Haukoos	Metzen	Rodosovich	Vanasek
Brandl	Heap	Minne	Rodriguez, C.	Vellenga
Brinkman	Himle	Munger	Rose	Voss
Burger	Hoberg	Murphy	St. Onge	Waltman
Carlson, L.	Hoffman	Nelson, D.	Scheid	Welch
Clark, J.	Hokr	Nelson, K.	Schoenfeld	Welle
Clark, K.	Jacobs	Neuenschwander	Schreiber	Wenzel
Clawson	Jennings	Norton	Seaberg	Wigley
Cohen	Jensen	O'Connor	Segal	Wynia
Coleman	Johnson	Ogren	Shaver	Zaffke
Dempsey	Kahn	Olsen	Shea	Speaker Sieben
DenOuden	Kalis	Omann	Simoneau	
Dimler	Kelly	Osthoff	Skoglund	
Eken	Knickerbocker	Otis	Solberg	

Those who voted in the negative were:

Frerichs	Ludeman	Schafer	Welker
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The bill was passed, as amended, and its title agreed to.

H. F. No. 1090 was reported to the House.

Ogren moved that H. F. No. 1090 be continued on Special Orders for one day. The motion prevailed.

REPORT FROM THE COMMITTEE ON RULES AND
LEGISLATIVE ADMINISTRATION

Eken, from the Committee on Rules and Legislative Administration, pursuant to Rule 1.9, designated the following bills as Special Orders to be added to Special Orders pending for today, May 9, 1983:

S. F. No. 598; H. F. No. 765; S. F. No. 292; H. F. Nos. 435 and 495; S. F. No. 297; H. F. No. 547; S. F. No. 752; and H. F. Nos. 782 and 855.

SPECIAL ORDERS, Continued

S. F. No. 598, A bill for an act relating to insurance premium finance companies; authorizing finance charges based on the federal discount rate; amending Minnesota Statutes 1982, sections 59A.09, subdivisions 3, 4 and 6; and 59A.12, subdivisions 1 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 91 yeas and 25 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Dimler	Levi	Pauly	Skoglund
Anderson, G.	Elioff	Long	Peterson	Solberg
Anderson, R.	Ellingson	Mann	Price	Sparby
Battaglia	Evans	Marsh	Quinn	Staten
Beard	Greenfield	McEachern	Redalen	Swanson
Begich	Gruenes	McKasy	Reif	Tomlinson
Bennett	Heap	Metzen	Rice	Tunheim
Bergstrom	Hoberg	Minne	Riveness	Valan
Berkelman	Hoffman	Munger	Rodovich	Vellenga
Bishop	Jacobs	Murphy	Rodriguez, C.	Voss
Brandl	Jensen	Nelson, D.	Rose	Waltman
Brinkman	Kahn	Nelson, K.	St. Onge	Welch
Burger	Kalis	Neuenschwander	Sarna	Welle
Carlson, L.	Kelly	Norton	Scheid	Wenzel
Clark, J.	Knickerbocker	Ogren	Schoenfeld	Speaker Sieben
Clark, K.	Knuth	Olsen	Seaberg	
Clawson	Kostohryz	Onnen	Segal	
Cohen	Kvam	Osthoff	Shaver	
Coleman	Larsen	Otis	Simoneau	

Those who voted in the negative were:

Dempsey	Frerichs	Hokr	Omann	Valento
DenOuden	Graba	Jennings	Piepho	Welker
Erickson	Gustafson	Johnson	Schafer	Wigley
Findlay	Gutknecht	Krueger	Thiede	Wynia
Fjoslien	Haukoos	Ludeman	Uphus	Zaffke

The bill was passed and its title agreed to.

H. F. No. 765 was reported to the House.

Reif moved to amend H. F. No. 765, the first engrossment, as follows:

Page 2, line 10, after "insurer" insert

“, provided that each insurer shall annually file with the commissioner summary data regarding the financial reimbursement offered to providers so designated.”

The motion prevailed and the amendment was adopted.

Swanson moved to amend H. F. No. 765, the first engrossment, as amended, as follows:

Page 2, line 10, after the period insert:

“Any insurer which proposes to offer an arrangement authorized under this clause shall disclose prior to its initial offering and annually thereafter as a supplement to its annual statement submitted to the commissioner pursuant to section 60A.13, subdivision 1, the following information:

(a) The name which the arrangement intends to use and its business address;

(b) The name, address and nature of any separate organization which administers the arrangement on the behalf of the insurer; and

(c) The names and addresses of all providers designated by the insurer under this clause and the terms of the agreements with designated health care providers.

The commissioner shall maintain a record of arrangements proposed under this clause, including a record of any complaints submitted relative to the arrangements.”

A roll call was requested and properly seconded.

The question was taken on the amendment and the roll was called. There were 70 yeas and 49 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Eken	Larsen	Osthoff	Skoglund
Battaglia	Elioff	Long	Otis	Selberg
Beard	Ellingson	Mann	Peterson	Sparby
Begich	Graba	McEachern	Piper	Staten
Bergstrom	Greenfield	Metzen	Price	Swanson
Brandl	Gustafson	Minne	Quinn	Tomlinson
Brinkman	Hoffman	Munger	Rice	Tunheim
Burger	Jacobs	Murphy	Riveness	Vanasek
Carlson, L.	Jensen	Nelson, D.	Rodosovich	Vellenga
Clark, J.	Kahn	Nelson, K.	Rodriguez, C.	Voss
Clark, K.	Kelly	Neuenschwander	St. Onge	Weich
Clawson	Knuth	Norton	Sarna	Wenzel
Cohen	Kostohryz	O'Connor	Scheid	Wynia
Coleman	Krueger	Ogren	Schoenfeld	Speaker Sieben

Those who voted in the negative were:

Anderson, R.	Forsythe	Knickerbocker	Piepho	Thiede
Bennett	Frerichs	Kvam	Redalen	Uphus
Bishop	Gruenes	Levi	Reif	Valan
Dempsey	Gutknecht	Ludeman	Rose	Valento
DenOuden	Haukoos	Marsh	Schafer	Waltman
Dimler	Heap	McKasy	Schreiber	Welker
Erickson	Himle	Olsen	Seaberg	Welle
Evans	Hoberg	Omann	Segal	Wigley
Findlay	Jennings	Onnen	Shaver	Zaffke
Fjoslien	Johnson	Pauly	Svigum	

The motion prevailed and the amendment was adopted.

H. F. No. 765, A bill for an act relating to insurance; permitting differing benefit payments for services by designated health care providers; amending Minnesota Statutes 1982, section 72A.20, subdivision 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 125 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Erickson	Knuth	Osthoff	Simoneau
Anderson, G.	Evans	Kostohryz	Otis	Skoglund
Anderson, R.	Findlay	Krueger	Pauly	Solberg
Battaglia	Fjoslien	Kvam	Peterson	Sparby
Beard	Forsythe	Larsen	Piepho	Staten
Begich	Frerichs	Levi	Piper	Sviggum
Bennett	Graba	Long	Price	Swanson
Bergstrom	Greenfield	Ludeman	Quinn	Thiede
Berkelman	Gruenes	Mann	Redalen	Tomlinson
Bishop	Gustafson	Marsh	Reif	Tunheim
Brandl	Gutknecht	McEachern	Rice	Uphus
Brinkman	Haukoos	McKasy	Riveness	Valan
Burger	Heap	Metzen	Rodosovich	Valento
Carlson, L.	Himle	Minne	Rodriguez, C.	Vanasek
Clark, J.	Hoberg	Munger	Rose	Vellenga
Clark, K.	Hoffman	Murphy	St. Onge	Voss
Clawson	Hokr	Nelson, D.	Sarna	Waltman
Cohen	Jacobs	Nelson, K.	Schafer	Welch
Coleman	Jennings	Neuenschwander	Scheid	Welker
Dempsey	Jensen	Norton	Schoenfeld	Welle
DenOuden	Johnson	O'Connor	Schreiber	Wenzel
Dimler	Kahn	Ogren	Seaberg	Wigley
Eken	Kalis	Olsen	Segal	Wynia
Elioff	Kelly	Omann	Shaver	Zaffke
Ellingson	Knickerbocker	Onnen	Shea	Speaker Sieben

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

The Speaker resumed the Chair.

Eken moved that the remaining bills on Special Orders for today be continued one day. The motion prevailed.

GENERAL ORDERS

Eken moved that the bills on General Orders for today be continued one day. 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. 218, A bill for an act relating to crimes; expanding the rights of victims of crime; affirming the right of victims to bring civil actions against offenders; establishing the right of a victim to request restitution; providing for implementation of victim and witness rights by law; providing penal sanctions and judicial mechanisms to deter intimidation of witnesses; requiring development of a plan for notifying crime victims about available financial assistance and social services; providing for victim participation in the criminal process; providing penalties; amending Minnesota Statutes 1982, sections 241.26, subdivisions 5 and 6; 243.23, subdivision 3; 571.55, by adding a subdivision; 609.115, subdivision 1; 609.498; and 631.425, subdivision 5; proposing new law coded as Minnesota Statutes, chapter 611A.

PATRICK E. FLAHAVER, Secretary of the Senate

Eken moved that the House refuse to concur in the Senate amendments to H. F. No. 218, 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. 521, A bill for an act relating to financial institutions; providing for the payment of hearing costs on contested applications; including credit union share insurance corporations and industrial loan and thrift guarantee issuers in the group of organizations permitted to receive examination reports; removing the requirement that a financial institution's board of directors hold qualifying shares; clarifying limitations on junior mortgage loans by banks; establishing application fees; removing a certain filing requirement; reducing the number of savings association incorporators; clarifying the notice requirements for savings association conversions; clarifying the industrial loan and thrift company lending limit and increasing the capital to deposit limitation; providing first installment requirements for regulated lenders and motor vehicle sales finance companies; providing credit insurance disclosure requirements for regulated lenders; clarifying financial corporation organizational requirements; amending Minnesota Statutes 1982, sections 45.04, subdivision 1; 46.07, subdivision 2; 47.54, subdivision 1; 48.06; 48.19, subdivision 1; 48.68; 49.36, subdivision 1; 49.37; 51A.03, subdivisions 1 and 4; 51A.065, subdivision 4; 51A.13, subdivisions 2 and 2a; 51A.23, subdivisions 6 and 7; 51A.51, subdivisions 2 and 3a; 52.203; 53.01; 53.03, subdivisions 1, 5, and 6; 53.04, subdivision 3a; 53.05; 53.06; 56.001, subdivision 3; 56.131, subdivision 1; 56.155, subdivision 1; 168.72, subdivision 1; 300.025; and 300.20; proposing new law coded in Minnesota Statutes, chapter 47.

PATRICK E. FLAHAVEN, Secretary of the Senate

Berkelman moved that the House refuse to concur in the Senate amendments to H. F. No. 521, 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.

MOTIONS AND RESOLUTIONS

Olsen moved that the names of Valento and McDonald be added as authors on House Advisory No. 16. The motion prevailed.

House Resolution No. 4 was reported to the House.

Erickson moved that House Resolution No. 4 be now adopted.

HOUSE RESOLUTION NO. 4

A house resolution congratulating the Future Farmers of America on their work and accomplishments.

Whereas, the Future Farmers of America was founded in 1928 and is now made up of almost 500,000 members in 8,313 local chapters in all 50 states and Puerto Rico; and

Whereas, the Future Farmers of America was organized under the National Vocational Education Act to foster character development, agricultural leadership, responsible citizenship, and to supplement training opportunities for students preparing for careers in farming and agribusiness; and

Whereas, the Future Farmers of America was organized in Minnesota on July 25, 1930, when 22 chapters were granted charters; and

Whereas, the laudable motto of the Future Farmers of America is "Learning to do, doing to learn, earning to live and living to serve"; and

Whereas, the Future Farmers of America, both on the national level and in Minnesota, have lived up to their motto; and

Whereas, the Future Farmers of America will hold their state meeting in St. Paul on April 24-26, 1983; *Now, Therefore*,

Be It Resolved by the House of Representatives of the State of Minnesota that it congratulates the Future Farmers of America upon the merit of their activities and public service. It extends its best wishes to them to continue these activities and services in the future.

Be It Further Resolved that the Chief Clerk is directed to enroll a copy of this resolution, to be authenticated by his signature and that of the Speaker, and present it to the State President of the Future Farmers of America at their annual state meeting.

The motion prevailed and House Resolution No. 4 was adopted.

House Concurrent Resolution No. 5 was reported to the House.

Norton moved that House Concurrent Resolution No. 5 be now adopted.

HOUSE CONCURRENT RESOLUTION NO. 5

A house concurrent resolution commending the University of Minnesota Department of Civil and Mineral Engineering for receipt of the 1983 National Award for Outstanding Civil Engineering Achievement from the American Society of Civil Engineers.

Whereas, the American Society for Civil Engineers is one of the largest and most prestigious national professional organizations; and

Whereas, that Society specifically stated in the award citation the special significance of the close working relationship between the Department of Civil and Mineral Engineering and the Minnesota Legislature in developing the proposal and securing financing for the new building; and

Whereas, the same building earned the national Owens-Corning Fiberglass Award for Energy Conservation Through Efficient Building Design; and

Whereas, the role of the Underground Space Center in the Department of Civil and Mineral Engineering was unique in facilitating the design and engineering of the building as an example of contractor-contractee cooperation; and

Whereas, the building represents a nationally significant technical advancement in the use of underground space; and

Whereas, because of these national awards the earth sheltered Civil and Mineral Engineering building is recognized as a nationally outstanding example of excellence for both energy conservation and design; *Now, Therefore*,

Be It Resolved by the House of Representatives of the State of Minnesota, the Senate concurring, that the Legislature of the State of Minnesota congratulates Dr. Charles Fairhurst and the faculty and staff of the Department of Civil and Mineral Engineering of the University of Minnesota, and Mr. David Bennett and the architectural firm of Bennett, Ringrose, Walsfeld (BRW) and their associated contractors, for their outstanding achievements in the design and construction of this new building.

Be It Further Resolved that the Legislature of the State of Minnesota congratulates the Department of Civil and Mineral Engineering faculty and staff for developing such a good working relationship with key legislative groups.

Be It Further Resolved, that the Chief Clerk of the House of Representatives is instructed to prepare enrolled copies of this resolution, to be authenticated by his signature and those of the Speaker of the House, the President of the Senate, and the Secretary of the Senate and present them to the head of the Department of Civil and Mineral Engineering, to the BRW firm, and to the President and each member of the Board of Regents of the University of Minnesota.

The motion prevailed and House Concurrent Resolution No. 5 was adopted.

ANNOUNCEMENTS BY THE SPEAKER

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 218:

Kelly, Cohen and Bishop.

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 521:

Berkelman, Wynia and Kvam.

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 92:

Nelson, K.; McEachern; Kostohryz; Anderson, B., and Levi.

ADJOURNMENT

Eken moved that when the House adjourns today it adjourn until 1:00 p.m., Tuesday, May 10, 1983. The motion prevailed.

Eken moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 1:00 p.m., Tuesday, May 10, 1983.

EDWARD A. BURDICK, Chief Clerk, House of Representatives

STATE OF MINNESOTA

SEVENTY-THIRD SESSION - 1983

FIFTIETH DAY

SAINT PAUL, MINNESOTA, TUESDAY, MAY 10, 1983

The House of Representatives convened at 1:00 p.m. and was called to order by Harry A. Sieben, Jr., Speaker of the House.

Prayer was offered by Father James Allen, Assumption Church, Richfield, Minnesota.

The roll was called and the following members were present:

Anderson, B.	Findlay	Kostohryz	Otis	Skoglund
Anderson, G.	Fjoslien	Krueger	Pauly	Solberg
Anderson, R.	Forsythe	Kvam	Peterson	Sparby
Battaglia	Frerichs	Larsen	Piepho	Stadum
Beard	Graba	Levi	Piper	Staten
Begich	Greenfield	Long	Price	Sviggum
Bennett	Gruenes	Ludeman	Quinn	Swanson
Bergstrom	Gustafson	Mann	Quist	Thiede
Bishop	Gutknecht	Marsh	Redalen	Tomlinson
Blatz	Halberg	McDonald	Reif	Tunheim
Brinkman	Haukoos	McEachern	Rice	Uphus
Burger	Heap	McKasy	Riveness	Valan
Carlson, L.	Heinitz	Metzen	Rodosovich	Valento
Clark, J.	Himle	Minne	Rodriguez, C.	Vanasek
Clark, K.	Hoberg	Munger	Rodriguez, F.	Vellenga
Clawson	Hoffman	Murphy	Rose	Voss
Cohen	Hokr	Nelson, D.	St. Onge	Waltman
Coleman	Jacobs	Nelson, K.	Sarna	Welch
Dempsey	Jennings	Neuenschwander	Schafer	Welker
DenOuden	Jensen	Norton	Scheid	Welle
Dimler	Johnson	O'Connor	Schoenfeld	Wenzel
Eken	Kahn	Ogren	Seaberg	Wigley
Elioff	Kalis	Olsen	Segal	Wynia
Ellingson	Kelly	Omamn	Shaver	Speaker Sieben
Erickson	Knickerbocker	Onnen	Shea	
Evans	Knuth	Osthoff	Simoneau	

A quorum was present.

Sherman was excused.

Berkelman and Zaffke were excused until 2:00 p.m. Brandl was excused until 2:30 p.m. Schreiber was excused until 2:55 p.m. Carlson, D. was excused until 5:00 p.m.

The Chief Clerk proceeded to read the Journal of the preceding day. Kvam 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. 1259, 800, 1059, 1188, 77, 439, 452 and 765 and S. F. No. 375 have been placed in the members' files.

REPORTS OF STANDING COMMITTEES

Rice from the Committee on Appropriations to which was referred:

S. F. No. 634, A bill for an act relating to game and fish; establishing the joint legislative committee on fishing resources; imposing a surcharge on fishing licenses for development and improvement of state fishing resources; authorizing designation of experimental and specialized fishing waters; authorizing additional notice of netting season; licensing fishing guides; increasing certain license fees; prohibiting angling and use of tip-ups while spearing in a dark house; prohibiting issuance of new commercial game fish netting licenses; allowing designation of lakes for taking of certain muskellunge; imposing penalties for various offenses; amending Minnesota Statutes 1982, sections 84.027, subdivision 2; 97.48, subdivision 26, and by adding a subdivision; 97.53, by adding a subdivision; 97.55, by adding subdivisions; 98.46, subdivision 5; 98.52, by adding subdivisions; and 101.42, subdivisions 1a and 20; proposing new law coded in Minnesota Statutes, chapters 97, 98, and 102.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1982, section 97.48, subdivision 8, is amended to read:

Subd. 8. The commissioner shall do all things deemed by him desirable in the preservation, protection and propagation in their natural state, and artificially, of all desirable species of wild animals. *The commissioner shall make special provisions for the management of fish and wildlife to insure quality recreational opportunities for anglers and hunters.*

Sec. 2. Minnesota Statutes 1982, section 97.48, subdivision 22, is amended to read:

Subd. 22. The commissioner shall authorize the maintenance and operation of private fish hatcheries under such rules and regulations as the commissioner shall prescribe for the raising and disposition of any fish indigenous to Minnesota waters

(EXCEPT CARP). No license shall be required of any person for taking fish by angling at a licensed private fish hatchery operated in accordance with the rules and regulations of the commissioner, or from an artificial pool containing only fish purchased from a private fish hatchery, provided the operator shall furnish to each person taking such fish a written certificate in such form as the commissioner shall prescribe, giving the number and description of the fish taken and such other information as the commissioner requires, whereupon such fish may be possessed, shipped, or transported within the state in like manner as fish taken by a resident under a license. Any person making a false statement in any such certificate shall be guilty of a misdemeanor and subject to the same penalties as prescribed for violations of section 97.55, subdivision 11.

Sec. 3: Minnesota Statutes 1982, section 97.48, subdivision 26, is amended to read:

Subd. 26. The commissioner may designate all or part of any lake (WHICH DOES NOT EXCEED 2,000 ACRES OF WATER AREA) or (ANY) stream, but in aggregate not more than (15) 100 lakes (OR FIVE) and 25 streams (, NOR MORE THAN 10,000 ACRES OF WATER,) at any one time, as experimental waters and, notwithstanding any other provision of law, may establish by order the seasons, limits and methods for the taking of fish therefrom and such other regulations relating thereto as he deems desirable; provided the above may be done only on waters to which the public has free access after a public (HEARING) meeting has been held in the county where the lake or stream, or major portion thereof, is located. Notice of (SAID) the public (HEARING) meeting shall be published once in a legal newspaper within the county or counties where the lake is located not less than seven days prior to the (HEARING) meeting. *The commissioner shall establish methods and criteria for citizen initiation of experimental waters designation and for citizen participation in the evaluation of waters designated as experimental waters.*

Sec. 4. Minnesota Statutes 1982, section 97.48, is amended by adding a subdivision to read:

Subd. 26a. The commissioner may develop a system of classification under which waters which have been designated as experimental waters pursuant to subdivision 26 and other waters intrinsically suitable therefor are classified as primarily intended for use as trophy lakes, family fishing lakes, special species management lakes, or other categories of special use designated by the commissioner.

Sec. 5. Minnesota Statutes 1982, section 97.53, is amended by adding a subdivision to read:

Subd. 3. In addition to the publication requirements of this section, notice of opening of the netting season on whitefish,

tullibee, and herring may be given by posting the date and time in the public places deemed most appropriate by the commissioner not less than 48 hours prior to the opening of the netting season.

Sec. 6. [97.86] [IMPROVEMENT OF FISHING RESOURCES.]

Subdivision 1. [LICENSE SURCHARGE.] A surcharge of \$2.50 shall be added to the annual license fee for each license issued pursuant to section 98.46, subdivision 2, clauses (4) and (5), subdivision 2a, subdivision 5, clauses (1), (2), and (3), and subdivision 15. The proceeds of the surcharge shall be credited to the game and fish fund.

The commissioner may spend the proceeds of the surcharge for the following purposes:

(a) Rehabilitation and improvement of marginal fish producing waters administered on a cost sharing basis under agreements between the commissioner and other parties interested in sport fishing.

(b) Expansion of fishing programs including, but not limited to, aeration, stocking of marginal fishing waters in urban areas, shore fishing areas, and fishing piers. In the expenditure of funds pursuant to this clause, preference shall be given to local units of government and other parties willing and able to share costs.

(c) Upgrading of fish propagation capabilities in order to improve the efficiency of fish production, expansion of walleyed pike production from waters subject to winter kill for stocking in more suitable waters, and introduction of new species where deemed biologically appropriate by the commissioner.

(d) Financing the preservation and improvement of fish habitat. First priority shall be given to expansion of habitat improvement programs approved by the commissioner and implemented in cooperation with other interested parties.

(e) Increasing enforcement through use of covert operations, workteams, and added surveillance, communication, and navigational equipment.

(f) Not more than ten percent of the money available under this subdivision may be used for administrative or permanent personnel costs.

Subd. 2. [INTERIM STUDY.] The chairmen of the house environment and natural resources committee and the senate agriculture and natural resources committee shall review issues

and trends in the management and improvement of fishing resources, using information obtained by and presented to the committees by public and private agencies and organizations, and other parties interested in management and improvement of fishing resources. The committees may make recommendations to the commissioner on programs and projects for management and improvement of fishing resources.

The commissioner shall prepare an annual work plan for the expenditure of money under subdivision 1 and provide copies of the plan and any subsequent amendments to the committees and to other parties interested in management and improvement of fishing resources.

Sec. 7. Minnesota Statutes 1982, section 98.46, subdivision 5, is amended to read:

Subd. 5. Fees for the following licenses, to be issued to residents only, shall be:

- (1) To spear fish from a dark house, \$7.50;
- (2) For any fish house or dark house used during the winter fishing season, (\$3) \$5 for each fish house or dark house not rented or offered for hire, and (\$13) \$15 for each fish house or dark house rented or offered for hire. Each fish house or dark house shall have attached to the outside a metal tag at least two inches in diameter with a 3/16 inch hole in the center, which will be issued with a license. Each metal tag shall be stamped with a number to correspond with the fish house or dark house license and also shall be stamped with the year of issuance. The metal tag shall be attached to the fish house or dark house as designated by commissioner's order;
- (3) To net whitefish, tullibees or herring from inland lakes or international waters, for domestic use only, for each net, \$3;
- (4) To conduct a taxidermist business, for three consecutive years for residents 18 years of age and older, \$40; for residents under the age of 18, \$25;
- (5) To maintain fur and game farms, including deer, \$15;
- (6) To take, transport, purchase and possess for sale unprocessed turtles and tortoises within the state, \$50;
- (7) To prepare dressed game fish shipments for nonresidents as provided by section 97.45, subdivision 6, as amended, \$13;

(8) Minnow dealer, \$70 plus \$10 for each vehicle;

(9) Minnow dealer's helper, \$5 for each helper. Minnow dealer's helpers' licenses shall be issued to the minnow dealer and are transferable by the dealer at will to his own helpers;

(10) Exporting minnow dealer, \$250, plus \$10 for each vehicle.

Each vehicle license shall cover a specified vehicle. The serial number, license number, make, and model shall be specified on the license which must be conspicuously posted in the vehicle licensed.

Sec. 8. Minnesota Statutes 1982, section 101.42, subdivision 1a, is amended to read:

Subd. 1a. No muskellunge less than 36 inches in length may be taken in any waters north of trunk highway No. 210. *The commissioner may designate particular lakes north of trunk highway No. 210 in which muskellunge less than 36 inches but not less than 30 inches in length may be taken.*

Sec. 9. Minnesota Statutes 1982, section 101.42, subdivision 20, is amended to read:

Subd. 20. It shall be unlawful to take fish by angling with a set or unattended line except that two lines with a single hook attached to each line, used for angling through the ice, shall not be deemed an unattended line if the owner is within sight of the line. Lines to which tip-ups are attached shall not be deemed unattended if the owner is within 80 feet of the tip-up; *except that it is unlawful to use tip-ups or take fish by angling while spearing fish in a dark house.*

Sec. 10. [102.235] [NEW LICENSES PROHIBITED.]

The commissioner shall not issue any new commercial fishing license which permits netting of game fish on Lake of the Woods and Rainy Lake.

Sec. 11. Minnesota Statutes 1982, section 102.26, is amended by adding a subdivision to read:

Subd. 3a. *Beginning March 1, 1984, the commissioner shall limit the maximum poundage of walleye that may be taken by commercial fishermen in Lake of the Woods in any one season on the following schedule:*

YEAR	SEASONAL COMMERCIAL WALLEYE TAKE IN POUNDS
1984	164,000
1985	154,000
1986	144,000
1987	134,000
1988	120,000
1989	100,000
1990	80,000
1991	60,000
1992	40,000
1993	20,000
1994	0

For the 1984 license year, 150,000 pounds of walleye shall be divided equally among the ten existing gill net licenses according to order of the commissioner. Up to 14,000 pounds of walleye shall be divided among trap or pound licenses, provided that no licensee shall take more than the highest poundage harvested in any of the last three years. For 1985 and subsequent years the annual allocation of walleye poundage shall be determined by order of the commissioner.

Sec. 12. Minnesota Statutes 1982, section 102.26, is amended by adding a subdivision to read:

Subd. 3b. Beginning March 1, 1984, the commissioner shall limit the maximum poundage of walleye that may taken by commercial fishermen in Rainy Lake in any one season on the following schedule:

YEAR	SEASONAL COMMERCIAL WALLEYE TAKE IN POUNDS
1984	14,500
1985	13,000
1986	11,500

1987	10,000
1988	8,500
1989	7,000
1990	5,500
1991	4,000
1992	2,500
1993	1,000
1994	0

For the 1984 license year and subsequent years, the seasonal commercial walleye take in pounds in Rainy Lake shall be divided among the licensees by order of the commissioner.

Sec. 13. [EFFECTIVE DATE.]

This act is effective the day following final enactment, except that section 6, subdivision 1 and section 7 are effective March 1, 1984."

Delete the title and insert:

"A bill for an act relating to game and fish; imposing a surcharge on fishing licenses for development and improvement of state fishing resources; authorizing designation of experimental and specialized fishing waters; authorizing additional notice of netting season; increasing certain license fees; prohibiting angling and use of tip-ups while spearing in a dark house; prohibiting issuance of new commercial game fish netting licenses; allowing designation of lakes for taking of certain muskellunge; reducing the seasonal commercial walleye take in Lake of the Woods and Rainy Lake; amending Minnesota Statutes 1982, sections 97.48, subdivisions 8, 22, and 26, and by adding a subdivision; 97.53, by adding a subdivision; 98.46, subdivision 5; 101.42, subdivisions 1a and 20; and 102.26, by adding subdivisions; proposing new law coded in Minnesota Statutes, chapters 97 and 102."

With the recommendation that when so amended the bill pass.

The report was adopted.

SECOND READING OF SENATE BILLS

S. F. No. 634 was read for the second time.

MESSAGES FROM THE SENATE

The following messages were received from the Senate:

Mr. Speaker:

I hereby announce the adoption by the Senate of the following House Concurrent Resolution, herewith returned:

House Concurrent Resolution No. 5, A house concurrent resolution commending the University of Minnesota Department of Civil and Mineral Engineering for receipt of the 1983 National Award for Outstanding Civil Engineering Achievement from the American Society of Civil Engineers.

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. 375, A bill for an act relating to public welfare; authorizing the establishment of community work experience programs on a pilot demonstration basis; proposing new law coded in Minnesota Statutes, chapter 256.

PATRICK E. FLAHAVER, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Blatz moved that the House concur in the Senate amendments to H. F. No. 375 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 375, A bill for an act relating to public welfare; authorizing the establishment of community work experience programs on a pilot demonstration basis; proposing new law coded in Minnesota Statutes, chapter 256.

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 119 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Evans	Kostohryz	Otis	Shea
Anderson, G.	Findlay	Krueger	Pauly	Simoneau
Battaglia	Fjoslien	Kvam	Peterson	Skoglund
Beard	Forsythe	Larsen	Piepho	Solberg
Begich	Frerichs	Long	Piper	Sparby
Bennett	Graba	Ludeman	Price	Sviggun
Bergstrom	Greenfield	Mann	Quinn	Swanson
Bishop	Grucnes	Marsh	Quist	Thiede
Blatz	Gustafson	McDonald	Redalen	Tunheim
Brinkman	Gutknecht	McEachern	Reif	Uphus
Burger	Haukoos	McKasy	Rice	Valan
Carlson, L.	Heap	Metzen	Riveness	Valento
Clark, J.	Himle	Minne	Rodosovich	Vanasek
Clark, K.	Hoberg	Munger	Rodriguez, C.	Vellenga
Clawson	Hoffman	Murphy	Rodriguez, F.	Voss
Cohen	Hokr	Nelson, D.	Rose	Waltman
Coleman	Jennings	Nelson, K.	St. Onge	Welch
Dempsey	Jensen	Neuenschwander	Sarna	Welker
DenOuden	Johnson	Norton	Schafer	Welle
Dimler	Kahn	O'Connor	Scheid	Wenzel
Eken	Kalis	Ogren	Schoenfeld	Wigley
Elioff	Kelly	Olsen	Seaberg	Wynia
Ellingson	Knickerbocker	Ornen	Segal	Speaker Sieben
Erickson	Knuth	Osthoff	Shaver	

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. 114, A bill for an act relating to crimes; prohibiting promotion of minors to engage in sexual performance; defining terms; prohibiting dissemination and possession of works depicting minors in sexual performance; providing penalties; amending Minnesota Statutes 1982, sections 609.342; 609.343; 609.344; 609.345; 609.3641, subdivision 2; 609.3642, subdivision 2; 609.3643, subdivision 2; 609.3644, subdivision 2; 617.241; 617.243; 617.246; 617.247; and 617.298; repealing Minnesota Statutes 1982, section 617.298, subdivision 4.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Levi moved that the House concur in the Senate amendments to H. F. No. 114 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 114, A bill for an act relating to crimes; prohibiting promotion of minors to engage in sexual performance; defining

terms; prohibiting dissemination and possession of works depicting minors in sexual performance; providing penalties; amending Minnesota Statutes 1982, sections 609.342; 609.343; 609.344; 609.345; 609.3641, subdivision 2; 609.3642, subdivision 2; 609.3643, subdivision 2; 609.3644, subdivision 2; 617.241; 617.243; 617.246; 617.247; and 617.298; repealing Minnesota Statutes 1982, section 617.298, 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 118 yeas and 1 nay as follows:

Those who voted in the affirmative were:

Anderson, B.	Findlay	Kostohryz	Osthoff	Solberg
Anderson, G.	Fjoslien	Krueger	Otis	Sparby
Battaglia	Forsythe	Kvam	Pauly	Stadum
Beard	Frerichs	Larsen	Peterson	Staten
Begich	Graba	Levi	Piper	Svigum
Bennett	Greenfield	Long	Price	Swanson
Bergstrom	Gruenes	Ludeman	Quinn	Thiede
Bishop	Gustafson	Mann	Quist	Tomlinson
Blatz	Gutknecht	Marsh	Redalen	Tunheim
Brinkman	Haukoos	McDonald	Reif	Uphus
Burger	Heap	McEachern	Rice	Valan
Carlson, L.	Himle	McKasy	Riveness	Valento
Clark, J.	Hoberg	Metzen	Rodosovich	Vanasek
Clawson	Hoffman	Minne	Rodriguez, C.	Voss
Cohen	Hokr	Munger	Rodriguez, F.	Waltman
Coleman	Jacobs	Murphy	Rose	Welch
Dempsey	Jennings	Nelson, D.	St. Onge	Welker
DenOuden	Jensen	Nelson, K.	Sarna	Welle
Dimler	Johnson	Neuenschwander	Schoenfeld	Wenzel
Eken	Kahn	Norton	Seaberg	Wigley
Elioff	Kalis	O'Connor	Segal	Wynia
Ellingson	Kelly	Ogren	Shaver	Speaker Sieben
Erickson	Knickerbocker	Olsen	Simoneau	
Evans	Knuth	Onnen	Skoglund	

Those who voted in the negative were:

Vellenga

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. 1146 and 1189.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

S. F. No. 1194.

PATRICK E. FLAHAVEN, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 1146, A bill for an act relating to statutes; conforming certain laws to judicial decisions of unconstitutionality; amending Minnesota Statutes 1982, sections 65B.51, subdivision 1; 154.03; 570.02, subdivision 2; and 573.01.

The bill was read for the first time.

Bishop moved that S. F. No. 1146 and H. F. No. 1172, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1189, A bill for an act relating to employment; exempting search firms from employment agency licensing; subjecting certain search firms to fee and bond requirements; requiring certain statements, fees, and bonds to be submitted at the time a search firm is established; amending Minnesota Statutes 1982, sections 184.22, subdivision 2, and by adding subdivisions; 184.29; 184.30, subdivision 1; and 184.41.

The bill was read for the first time.

Ogren moved that S. F. No. 1189 and H. F. No. 1090, now on Special Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1194, A bill for an act relating to taxation; changing the tax paid on aviation gasoline; amending Minnesota Statutes 1982, section 296.02, subdivision 2.

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

SPECIAL ORDERS

S. F. No. 292 was reported to the House.

There being no objection, S. F. No. 292 was temporarily laid over on Special Orders.

H. F. No. 435, A bill for an act relating to crimes; establishing degrees of burglary; prescribing penalties; providing mandatory

terms of incarceration; proposing new law coded in Minnesota Statutes, chapter 609; repealing Minnesota Statutes 1982, section 609.58.

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

The question was taken on the passage of the bill and the roll was called. There were 123 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Findlay	Kostohryz	Osthoff	Solberg
Anderson, G.	Fjoslien	Krueger	Otis	Sparby
Battaglia	Forsythe	Kvam	Pauly	Stadum
Beard	Frerichs	Larsen	Peterson	Staten
Begich	Graba	Levi	Piepho	Swiggum
Bennett	Greenfield	Long	Piper	Swanson
Bergstrom	Gruenes	Ludeman	Price	Thiede
Bishop	Gustafson	Mann	Quinn	Tomlinson
Blatz	Gutknecht	Marsh	Redalen	Tunheim
Brinkman	Haukoos	McDonald	Reif	Uphus
Burger	Heap	McEachern	Riveness	Valan
Carlson, L.	Heinitz	McKasy	Rodosovich	Valento
Clark, J.	Himle	Metzen	Rodriguez, C.	Vanasek
Clark, K.	Hoberg	Minne	Rodriguez, F.	Vellenga
Clawson	Hoffman	Munger	Rose	Voss
Cohen	Hokr	Murphy	St. Onge	Waltman
Coleman	Jacobs	Nelson, D.	Sarna	Welch
Dempsey	Jennings	Nelson, K.	Schafer	Welker
DenOuden	Jensen	Neuenschwander	Schcid	Welle
Dimler	Johnson	Norton	Schoenfeld	Wenzel
Eken	Kahn	O'Connor	Seaberg	Wigley
Elioff	Kalis	Ogren	Segal	Wynia
Ellingson	Kelly	Olsen	Shaver	Speaker Sieben
Erickson	Knickerbocker	Omamn	Simoneau	
Evans	Knuth	Onnen	Skoglund	

The bill was passed and its title agreed to.

H. F. No. 495, A bill for an act relating to mental health; regulating the collection, use, and disclosure of mental health agency data; amending Minnesota Statutes 1982, section 245.69, 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 105 yeas and 16 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Bergstrom	Clark, J.	Dimler	Forsythe
Anderson, G.	Bishop	Clark, K.	Eken	Graba
Battaglia	Blatz	Clawson	Elioff	Greenfield
Beard	Brinkman	Cohen	Ellingson	Gruenes
Begich	Burger	Coleman	Evans	Gustafson
Bennett	Carlson, L.	Dempsey	Fjoslien	Heap

Heinitz	Long	Olsen	Rodriguez, C.	Stadum
Hoberg	Mann	Omamm	Rodriguez, F.	Staten
Hoffman	Marsh	Onnen	Rose	Swanson
Jacobs	McEachern	Osthoff	St. Onge	Tomlinson
Jensen	McKasy	Otis	Sarna	Tunheim
Johnson	Metzen	Peterson	Scheid	Valan
Kahn	Minne	Piepho	Schoenfeld	Vanasek
Kelly	Munger	Piper	Seaberg	Vellenga
Knickerbocker	Murphy	Price	Segal	Waltman
Knuth	Nelson, D.	Quinn	Shaver	Welch
Kostobryz	Nelson, K.	Quist	Shea	Welle
Krueger	Neuenschwander	Redalen	Simoneau	Wenzel
Kvam	Norton	Reif	Skoglund	Wigley
Larsen	O'Connor	Riveness	Solberg	Wynia
Levi	Ogren	Rodosovich	Sparby	Speaker Sieben

Those who voted in the negative were:

DenOuden	Gutknecht	Ludeman	Thiede	Valento
Erickson	Haukoos	McDonald	Uphus	Welker
Findlay	Hokr	Schafer		
Frerichs	Jennings	Sviggum		

The bill was passed and its title agreed to.

S. F. No. 297 was reported to the House.

Coleman moved to amend S. F. No. 297, the second engrossment, as follows:

Page 1, line 22, delete "shall" and insert "should"

Page 1, line 26, delete everything after "assault"

Page 1, delete line 27

Page 2, line 1, delete "arrest is not made" and after the period insert "For purposes of this section, "should arrest" means that an arrest must be made unless there are facts justifying the failure to arrest and those facts are clearly stated in the written report required by subdivision 4."

Page 2, after line 28, insert:

"Subd. 4. [REPORT REQUIRED.] Whenever a peace officer investigates an allegation that an incident described in subdivision 1 has occurred, whether or not an arrest is made, the officer shall make a written report of the alleged incident. The officer must submit the report to his supervisor or other person to whom the employer's rules or policies require reports of similar allegations of criminal activity to be made.

Subd. 5. [TRAINING.] The board of peace officer standards and training shall provide a copy of this section to every law enforcement agency in this state on or before June 30, 1983.

Upon request of the board of peace officer standards and training to the bureau of criminal apprehension, the subject matter of at least one training course must include instruction in the subject matter of domestic abuse. Every basic skills course required in order to obtain initial licensure as a peace officer must, after January 1, 1985, include at least three hours of training in handling domestic violence cases.

Sec. 2. Minnesota Statutes 1982, section 629.72, is amended by adding a subdivision to read:

Subd. 4. [SERVICE OF ORDER FOR PROTECTION.] If an order for protection is issued pursuant to section 518A.01 while the arrested person is still in detention, the order shall be served upon the arrested person during detention if possible."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 6, after the semicolon insert "requiring written reports of alleged domestic violence incidents; requiring peace officer training; requiring service of certain orders for protection upon arrested persons;"

Page 1, line 6, delete "section" and insert "sections"

Page 1, line 7, after the semicolon insert "629.72, by adding a subdivision;"

The motion prevailed and the amendment was adopted.

Findlay was excused between the hours of 1:40 p.m. until 2:35 p.m.

The Speaker called Wynia to the Chair.

Coleman moved that S. F. No. 297, as amended, be continued on Special Orders for one day. The motion prevailed.

S. F. No. 292 temporarily laid over earlier today was again reported to the House.

Ellingson moved to amend S. F. No. 292, as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1982, section 626.556, subdivision 1, is amended to read:

Subdivision 1. [PUBLIC POLICY] The legislature hereby declares that the public policy of this state is to protect children whose health or welfare may be jeopardized through physical abuse, neglect or sexual abuse; to strengthen the family and make the home, school, and community safe for children (THROUGH IMPROVEMENT OF PARENTAL AND GUARDIAN CAPACITY FOR) by promoting responsible child care in all settings; and to provide, when necessary, a safe temporary or permanent home environment for physically or sexually abused children.

In addition, it is the policy of this state to require the reporting of suspected neglect, physical or sexual abuse of children in the home, school, and community settings; to provide for the voluntary reporting of abuse or neglect of children; to require the investigation of such reports; and to provide protective and counseling services in appropriate cases.

Sec. 2. Minnesota Statutes 1982, section 626.556, subdivision 2, is amended to read:

Subd. 2. [DEFINITIONS.] As used in this section, the following terms have the meanings given them unless the specific content indicates otherwise:

(a) "Sexual abuse" means the subjection by (THE CHILD'S PARENTS, GUARDIAN, OR) a person responsible for the child's care, to any act which constitutes a violation of sections 609.342, 609.343, 609.344, or 609.345, or sections 609.364 to 609.3644. Sexual abuse also includes any act which involves a minor which constitutes a violation of sections 609.321 to 609.324 or 617.246.

(b) "Person responsible for the child's care" means a parent, guardian, teacher, school administrator, or other lawful custodian of a child having either full-time or short-term care responsibilities including, but not limited to, day care, baby sitting, counseling, teaching, and coaching.

((B)) (c) "Neglect" means failure by a (PARENT, GUARDIAN OR OTHER) person responsible for a child's care to supply a child with necessary food, clothing, shelter or medical care when reasonably able to do so or failure to protect a child from conditions or actions which imminently and seriously endanger the child's physical or mental health when reasonably able to do so. Nothing in this section shall be construed to mean that a child is neglected solely because the child's parent, guardian or other person responsible for his care in good faith selects and depends upon spiritual means or prayer for treatment or care of disease or remedial care of the child; nor shall anything in this section be construed to impose upon persons, not otherwise legally responsible for providing a child with necessary food, clothing, and medical care, a duty to provide such care.

((C)) (d) "Physical abuse" means:

(i) Any physical injury *intentionally* inflicted by a (PARENT, GUARDIAN OR OTHER) person responsible for the child's care on a child other than by accidental means; or

(ii) Any physical injury that cannot reasonably be explained by the history of injuries provided by a (PARENT, GUARDIAN OR OTHER) person responsible for the child's care.

((D)) (e) "Report" means any report received by the local welfare agency, police department or county sheriff pursuant to this section.

((E)) (f) "Facility" means a day care facility or a residential facility as defined in section 245.782.

((F)) (g) "Operator" means an operator or agency as defined in section 245.782.

Sec. 3. Minnesota Statutes 1982, section 626.556, subdivision 7, is amended to read:

Subd. 7. [REPORT.] An oral report shall be made immediately by telephone or otherwise. An oral report made by a person required under subdivision 3 to report shall be followed as soon as possible by a report in writing to the appropriate police department, the county sheriff or local welfare agency. Any report shall be of sufficient content to identify the child, the (PARENT, GUARDIAN, OR OTHER) person responsible for his care, the nature and extent of the child's injuries and the name and address of the reporter. Written reports received by a police department or the county sheriff shall be forwarded immediately to the local welfare agency. The police department or the county sheriff may keep copies of reports received by them. Copies of written reports received by a local welfare department shall be forwarded immediately to the local police department or the county sheriff.

A written copy of a report maintained by personnel of agencies, other than welfare or law enforcement agencies, which are subject to chapter 13 shall be confidential. An individual subject of the report may obtain access to the original report as provided by subdivision 11.

Sec. 4. Minnesota Statutes 1982, section 626.556, subdivision 10, is amended to read:

Subd. 10. [DUTIES OF LOCAL WELFARE AGENCY UPON RECEIPT OF A REPORT.] *If the report alleges neglect, physical abuse, or sexual abuse by a parent, guardian, or*

individual functioning within the family unit as a person responsible for a child's care, the local welfare agency shall immediately investigate and offer protective social services for purposes of preventing further abuses, safeguarding and enhancing the welfare of the abused or neglected minor, and preserving family life whenever possible. When necessary the local welfare agency shall seek authority to remove the child from the custody of his parent, guardian or adult with whom he is living. In performing any of these duties, the local welfare agency shall maintain appropriate records. If the report alleges neglect, physical abuse, or sexual abuse by an individual functioning outside the family unit as a person responsible for a child's care in a setting other than a facility licensed pursuant to sections 245.781 to 245.812, the local welfare agency shall immediately notify the appropriate law enforcement agency and shall offer appropriate social services for the purpose of safeguarding and enhancing the welfare of the abused or neglected minor.

Sec. 5. [EFFECTIVE DATE.]

This act is effective July 1, 1983."

Delete the title and insert:

"A bill for an act relating to public welfare; defining persons responsible for a child's care under the child abuse reporting law; amending Minnesota Statutes 1982, section 626.556, subdivisions 1, 2, 7, and 10."

The motion prevailed and the amendment was adopted.

The Speaker resumed the Chair.

S. F. No. 292, A bill for an act relating to public welfare; defining persons responsible for a child's care under the child abuse reporting law; amending Minnesota Statutes 1982, section 626.556, subdivisions 2, 7, and 10.

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

The question was taken on the passage of the bill and the roll was called. There were 106 yeas and 11 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Beard	Bergstrom	Blatz	Carlson, L.
Anderson, R.	Begich	Berkelman	Brinkman	Clark, J.
Battaglia	Bennett	Bishop	Burger	Clark, K.

Clawson	Himle	McKasy	Piper	Simoneau
Cohen	Hoberg	Metzen	Price	Skoglund
Coleman	Hoffman	Minne	Quinn	Solberg
Dempsey	Hokr	Munger	Quist	Sparby
Eken	Jacobs	Murphy	Redalen	Swanson
Elioff	Jennings	Nelson, D.	Reif	Tunheim
Ellingson	Jensen	Nelson, K.	Rice	Valento
Evans	Johnson	Neuenschwander	Riveness	Vellenga
Findlay	Kahn	Norton	Rodosovich	Voss
Fjoslie	Kelly	O'Connor	Rodriguez, C.	Waltman
Forsythe	Knickerbocker	Ogren	Rodriguez, F.	Welch
Graba	Knuth	Olsen	Rose	Welle
Greenfield	Kostohryz	Omann	Sarna	Wenzel
Gruenes	Krueger	Onnen	Scheid	Wynia
Gustafson	Levi	Osthoff	Schoenfeld	Speaker Sieben
Gutknecht	Long	Otis	Seaberg	
Halberg	Mann	Pauly	Segal	
Heap	McDonald	Peterson	Shaver	
Heinitz	McEachern	Piepho	Shea	

Those who voted in the negative were:

DenOuden	Ludeman	Sviggum	Welker	Zaffke
Erickson	St. Onge	Thiede		
Ferichs	Schafer	Uphus		

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

Rice from the Committee on Appropriations to which was referred:

H. F. No. 233, A bill for an act relating to retirement; providing post retirement annuity or benefit increases for certain retired or disabled public employees.

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

The report was adopted.

Rice from the Committee on Appropriations to which was referred:

H. F. No. 652, A bill for an act relating to retirement; public plans generally; providing for the fiduciary obligation of trustees; complying with federal limits on annual benefits; providing that moneys of public pension plans are for the exclusive benefit of eligible employees and their beneficiaries; amending Minnesota Statutes 1982, sections 356.61; 354A.021, by adding a subdivision; proposing new law coded in Minnesota Statutes, chapter 356.

Reported the same back with the following amendments:

Page 5, line 2, delete everything after "*effective*" and insert "*retroactive to January 1, 1983.*"

With the recommendation that when so amended the bill pass.

The report was adopted.

Rice from the Committee on Appropriations to which was referred:

S. F. No. 147, A bill for an act relating to retirement; employee and employer contributions to the Minnesota state retirement system; amending Minnesota Statutes 1982, section 352.92, subdivisions 1 and 2.

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

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. Nos. 233 and 652 were read for the second time.

SECOND READING OF SENATE BILLS

S. F. No. 147 was read for the second time.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House Files were introduced:

Rice, for the Committee on Appropriations, introduced:

H. F. No. 1290, 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 with certain conditions; providing for the transfer of certain money in the state treasury; authorizing land acquisition in certain cases; fixing and limiting the amount of fees to be collected in certain cases; creating, abolishing, modifying, and transferring agencies and functions; imposing a penalty; amending Minnesota Statutes 1982, sections 3.732, by adding a subdivision; 3.9222; 15.16, subdivision 5; 15A.083, subdivision 1; 16.32, subdivision 2; 16.75, by adding a subdivision; 16.82,

subdivision 1; 16.866, subdivision 1; 16.911; 16A.125, subdivision 5; 16A.127, subdivisions 1 and 7; 16A.36; 16A.50; 16A.64, subdivisions 2 and 4; 16A.66, subdivisions 1, 2, and 3; 40.072, subdivision 3; 43A.05, subdivision 5; 85A.01, subdivision 2; 85A.04, subdivision 3; 98.47, by adding a subdivision; 98.48, subdivision 9; 105.405, subdivision 2; 105.41, subdivision 5; 124.46, subdivision 2; 136.40, subdivision 8; 169.123, subdivision 6; 175A.-05; 176.183, subdivision 2; 179.7411; 181A.12, subdivision 1; 183.375, subdivision 5; 183.411, subdivision 3; 183.545; 183.57, subdivision 2; 256.481; 256.482; 270.18; 271.01, subdivision 1; 290.06, subdivision 13; 296.18, subdivision 1; 296.421, subdivision 5; 309.53, subdivision 2, and by adding a subdivision; 357.08; 363.02, subdivision 1; 363.06, subdivision 4; 462A.05, by adding a subdivision; 462A.21, by adding a subdivision; 480.-09, subdivision 5; 480.241, subdivision 2; 480A.01, subdivision 2; 481.01; and 546.27, subdivision 2; Laws 1976, chapter 314, section 3; Laws 1980, chapter 614, section 192; proposing new law coded in Minnesota Statutes, chapters 3; 16; 16A; 116C; 198; 270; repealing Minnesota Statutes 1982, sections 3.472; 3.86; 4.073; 105.71; 105.72; 105.73; 105.74; 105.75; 105.751; 105.76; 105.77; 105.78; 105.79; 114A.01; 114A.02; 114A.03; 114A.04; 114A.05; 114A.06; 114A.07; 114.08; 114A.09; 193.35; 297A.05; and Laws 1965, chapter 66.

The bill was read for the first time and laid over one day.

POINT OF ORDER

Norton raised a point of order pursuant to rule 5.8 that H. F. No. 1290 be referred to the Committee on Governmental Operations.

Pursuant to Section 244 of "Mason's Manual of Legislative Procedure" the Speaker deferred his decision on the point of order.

INTRODUCTION AND FIRST READING OF HOUSE BILLS, Continued

McEachern; Carlson, L.; Nelson, K.; Olsen and Jennings introduced:

H. F. No. 1291, A bill for an act proposing an amendment to the Minnesota Constitution, article XI, section 8; removing the constitutional restrictions on permanent school fund investments; establishing statutory restrictions; amending Minnesota Statutes 1982, section 11A.16, subdivision 4.

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

Clark, K.; Battaglia; Munger and Kahn introduced:

H. F. No. 1292, A bill for an act relating to environment; requiring a permit for test drilling of geologic structures for disposal of high level radioactive waste and notification of results; regulating transportation of high level radioactive waste through the state; providing penalties; proposing new law coded in Minnesota Statutes, chapter 116C.

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

Nelson, K., and Anderson, B., introduced:

H. F. No. 1293, A bill for an act relating to food; regulating the bulk sale of food; proposing new law coded in Minnesota Statutes, chapter 31.

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

Wenzel, Begich, Battaglia, Solberg and McDonald introduced:

H. F. No. 1294, A bill for an act relating to public employees; prohibiting certain salary increases based solely on percentages of base salary; proposing new law coded in Minnesota Statutes, chapter 179.

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

Rodriguez, C., and Halberg introduced:

H. F. No. 1295, A bill for an act relating to taxation; providing for a special definition of residency for income taxes for 1980 and 1981.

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

Rodriguez, C.; Brandl; Halberg and Levi introduced:

H. F. No. 1296, A bill for an act relating to taxation; changing the definition of residency for income tax purposes; amending Minnesota Statutes 1982, section 290.01, subdivision 7.

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

DenOuden; Anderson, B.; Thiede; Dimler and Reif introduced:

H. F. No. 1297, A bill for an act relating to state police aid; use of excess not required to pay retirement contributions; amending Minnesota Statutes 1982, section 69.031, subdivision 5.

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

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. 610, A bill for an act relating to financial institutions; industrial loan and thrift companies; regulated loans; enlarging the group of institutions which may utilize electronic fund transfer facilities; modifying the capital and reserve limitation on loans by industrial loan and thrift companies; permitting loan and thrifts and regulated lenders to take discount points in certain circumstances; authorizing loan and thrifts to receive savings accounts and savings deposits subject to certain prescribed conditions; regulating loan splitting; eliminating the receipt requirement for money orders; standardizing certain penalties; excepting loan and thrifts and regulated lenders from the licensing requirements for real estate brokers and salespersons; amending Minnesota Statutes 1982, sections 47.61, subdivision 4; 47.64, subdivision 1; 48.196; 53.03, subdivision 5; 53.04, subdivisions 3a and 5; 53.05; 53.07, subdivision 2; 53.10; 56.131, subdivision 3, and by adding a subdivision; 56.14; 56.19, subdivision 1; 80A-15, subdivision 1; and 82.18; repealing Minnesota Statutes 1982, section 56.19, subdivision 2.

The Senate has appointed as such committee Messrs. Wegscheid, Benson and Solon.

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. 582, A bill for an act relating to corrections; clarifying the powers of the commissioner of corrections; limiting certain inmate functions; authorizing the use of necessary force to prevent escape; providing for the costs of transporting juvenile delinquents committed to the commissioner of corrections; providing for supervision of gross misdemeanor probations; removing archaic language; amending Minnesota Statutes 1982, sections 241.01, subdivision 3a; 241.23; 242.31, subdivisions 1 and 3; 243.17, subdivision 1; 243.52; 243.58; 243.62; 609.135, subdivision 1; and 624.714, subdivision 13.

The Senate has appointed as such committee Messrs. Pogemiller, Laidig and Ms. Peterson, D. C.

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. 149, A bill for an act relating to natural resources; clarifying the hunting of certain animals with dogs; amending Minnesota Statutes 1982, section 98.46, subdivision 2.

The Senate has appointed as such committee Messrs. Mehrkens, Lessard 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. 218, A bill for an act relating to crimes; expanding the rights of victims of crime; affirming the right of victims to bring civil actions against offenders; establishing the right of a victim to request restitution; providing for implementation of victim and witness rights by law; providing penal sanctions and judicial mechanisms to deter intimidation of witnesses; requiring development of a plan for notifying crime victims about available financial assistance and social services; providing for victim participation in the criminal process; providing penalties; amending Minnesota Statutes 1982, sections 241.26, subdivisions 5 and 6; 243.23, subdivision 3; 571.55, by adding a subdivision; 609.115, subdivision 1; 609.498; and 631.425, subdivision 5; proposing new law coded as Minnesota Statutes, chapter 611A.

The Senate has appointed as such committee Messrs. Dicklich, Merriam 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. 653, A bill for an act relating to elections; making numerous procedural changes in the election law; removing or clarifying obsolete and inappropriate language; rearranging certain provisions; amending Minnesota Statutes 1982, sections 201.061, subdivision 3; 203B.11; 203B.12, subdivision 2; 204B.-31; 204B.33; 204B.36, subdivision 2; 204C.08, subdivision 1;

204C.10, subdivision 1; 204C.12, subdivisions 3 and 4; 204C.24, subdivision 1; 204C.25; 204C.35; 204D.11, subdivision 5; 204D.-13, subdivision 3; 205.17, subdivisions 3 and 4; 206.11; 206.19, subdivision 1; 210A.39; proposing new law coded in Minnesota Statutes, chapter 204C; repealing Minnesota Statutes 1982, section 204B.06, subdivision 3.

The Senate has appointed as such committee Messrs. Hughes, Luther and Peterson, D. L.

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. 672, A bill for an act relating to taxation; sales and use; clarifying the taxability or exempt status of certain items or transactions; providing penalties for certain operators or misuse of exemption certificates; clarifying filing dates and penalties for not timely filing or paying the tax; authorizing the filing of security and the use of sampling; providing restrictions on refunds; clarifying payments required before appeal; eliminating the fee for permits; amending Minnesota Statutes 1982, sections 297A.01, subdivisions 3 and 4; 297A.25, subdivision 1; 297A.27, subdivision 1; 297A.275; 297A.28; 297A.31, subdivision 1; 297A.35, subdivision 1, and by adding a subdivision; 297A.391; and 297B.03; proposing new law coded in Minnesota Statutes, chapter 297A; repealing Minnesota Statutes 1982, sections 297A.05 and 297A.251.

The Senate has appointed as such committee Messrs. Merriam, Sieloff and Vega.

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. 289, A bill for an act relating to the city of St. Paul; authorizing the city to permit, by ordinance, the use of an "on-sale" liquor license issued by the city at the Highland Park and Phalen Park club houses.

PATRICK E. FLAHAVEN, Secretary of the Senate

O'Connor moved that the House refuse to concur in the Senate amendments to H. F. No. 289, 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. 419, A bill for an act relating to insurance; fire; hail; requiring the insured, in case of loss, to show the damaged property and related records to the company and consent to be examined under oath; providing for the exchange of information on losses or potential losses between companies and authorized persons; providing for the appraisal of losses; specifying the procedure to be used in selecting appraisers; amending Minnesota Statutes 1982, sections 65A.01, subdivision 3; 65A.26; 65A.29; and 299F.054, subdivisions 1, 2, 4, and by adding a subdivision.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Berkelman moved that the House concur in the Senate amendments to H. F. No. 419 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 419, A bill for an act relating to insurance; fire; hail; requiring the insured, in case of loss, to show the damaged property and related records to the company and consent to be examined under oath; providing for the exchange of information

on losses or potential losses between companies and authorized persons; providing for the appraisal of losses; specifying the procedure to be used in selecting appraisers; amending Minnesota Statutes 1982, sections 65A.01, subdivision 3; 65A.26; 65A.-29; and 299F.054, subdivisions 1, 2, 4, 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 121 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Erickson	Krueger	Piepho	Stadum
Anderson, G.	Evans	Larsen	Piper	Staten
Anderson, R.	Findlay	Levi	Price	Sviggum
Battaglia	Fjoslien	Long	Quinn	Swanson
Beard	Forsythe	Ludeman	Quist	Thiede
Begich	Graba	Mann	Redalen	Tomlinson
Bennett	Greenfield	Marsh	Reif	Tunheim
Bergstrom	Gustafson	McDonald	Rice	Uphus
Berkelman	Gutknecht	McEachern	Riveness	Valan
Bishop	Halberg	McKasy	Rodosovich	Valento
Blatz	Haukoos	Metzen	Rodriguez, C.	Vanasek
Brandl	Heinitz	Minne	Rodriguez, F.	Vellenga
Brinkman	Himle	Munger	Rose	Voss
Burger	Hoberg	Murphy	St. Onge	Waltman
Carlson, L.	Hoffman	Nelson, K.	Sarna	Welch
Clark, J.	Hokr	Norton	Schafer	Welker
Clark, K.	Jacobs	O'Connor	Scheid	Welle
Clawson	Jennings	Ogren	Schoenfeld	Wenzel
Cohen	Jensen	Olsen	Seaberg	Wynia
Dempsey	Johnson	Omann	Segal	Zaffke
DenOuden	Kahn	Onnen	Shaver	Speaker Sieben
Dimler	Kelly	Osthoff	Shea	
Eken	Knickerbocker	Otis	Simoneau	
Elioff	Knuth	Pauly	Solberg	
Ellingson	Kostohryz	Peterson	Sparby	

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 amendment to:

S. F. No. 463, A bill for an act relating to port authorities; authorizing revenue bond financing of certain facilities; eliminating the interest rate limit on revenue bonds and authorizing private sale; clarifying contractual and operational authority of port authorities; amending Minnesota Statutes 1982, sections 458.192, subdivisions 1, 4, and by adding a subdivision; 458.194, subdivisions 2, 3, and by adding a subdivision; and 458.195, by adding a subdivision.

The Senate respectfully requests that a Conference Committee be appointed thereon. The Senate has appointed as such committee Mrs. Lantry, Messrs. Schmitz and Belanger.

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

PATRICK E. FLAHAVER, Secretary of the Senate

Cohen 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. 463. The motion prevailed.

Mr. Speaker:

I hereby announce that the Senate refuses to concur in the House amendment to:

S. F. No. 398, A bill for an act relating to vulnerable adults; refining the Vulnerable Adults Reporting Act; specifying reporting requirements; specifying access to reports; preventing record destruction; amending Minnesota Statutes 1982, section 626.557, subdivisions 2, 3, 4, 10, 12, 14, and by adding a subdivision; repealing Minnesota Statutes 1982, section 626.557, subdivision 12a.

The Senate respectfully requests that a Conference Committee be appointed thereon. The Senate has appointed as such committee Messrs. Spear; Peterson, R. W., and Knaak.

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

PATRICK E. FLAHAVER, Secretary of the Senate

Clawson 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. 398. The motion prevailed.

Mr. Speaker:

I hereby announce that the Senate refuses to concur in the House amendment to:

S. F. No. 639, A bill for an act relating to energy; changing a cross-reference for nonpublic data reporting; amending the

definition of "earth sheltered"; changing the due date of biennial energy reports; amending Minnesota Statutes 1982, sections 13.68, subdivision 1; 116J.06, subdivision 2; and 116J.18, subdivision 1.

The Senate respectfully requests that a Conference Committee be appointed thereon. The Senate has appointed as such committee Mrs. McQuaid, Mr. Frank and Ms. Olson.

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

PATRICK E. FLAHAVEN, Secretary of the Senate

Piper 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. 639. The motion prevailed.

Mr. Speaker:

I hereby announce that the Senate refuses to concur in the House amendment to:

S. F. No. 892, A bill for an act relating to insurance, authorizing the establishment of joint self-insurance employee health plans; providing administrative, trust, bonding, investment, and reporting requirements; establishing a quarterly revenue fee; proposing new law coded as Minnesota Statutes, chapter 62H.

The Senate respectfully requests that a Conference Committee be appointed thereon. The Senate has appointed as such committee Messrs. Petty, Solon and Benson.

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

Berkelman 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. 892. The motion prevailed.

Mr. Speaker:

I hereby announce that the Senate refuses to concur in the House amendment to:

S. F. No. 800, A bill for an act relating to health; providing for retention and destruction of certain medical records; amending Minnesota Statutes 1982, section 145.32.

The Senate respectfully requests that a Conference Committee be appointed thereon. The Senate has appointed as such committee Messrs. Peterson, R. W.; Knaak and Freeman.

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

Brandl 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. 800. The motion prevailed.

SPECIAL ORDERS, Continued

H. F. No. 547 was reported to the House.

Vanasek moved that H. F. No. 547 be continued on Special Orders until Thursday, May 12, 1983. The motion prevailed.

S. F. No. 752 was reported to the House.

Begich moved to amend S. F. No. 752, as follows:

Page 1, after line 23, insert:

"Sec. 3. Minnesota Statutes 1982, section 609.66, is amended to read:

609.66 [DANGEROUS WEAPONS.]

Subdivision 1. [ACTS PROHIBITED.] Whoever does any of the following is guilty of a misdemeanor:

(1) Recklessly handles or uses a gun or other dangerous weapon or explosive so as to endanger the safety of another; or

(2) Intentionally points a gun of any kind, capable of injuring or killing a human being and whether loaded or unloaded, at or toward another, *except in self defense or other lawful purpose*; or

(3) Manufactures or sells for any unlawful purpose any weapon known as a slung-shot or sand club; or

(4) Manufactures, transfers, or possesses *for any unlawful purpose*, metal knuckles or a switch blade knife opening automatically; or

(5) Possesses any other dangerous article or substance for the purpose of being used unlawfully as a weapon against another; or

(6) Sells or has in his possession any device designed to silence or muffle the discharge of a firearm *except as provided in federal law*; or

(7) Without the parent's or guardian's consent, furnishes a child under 14 years of age, (OR AS A PARENT OR GUARDIAN PERMITS SUCH CHILD TO HANDLE OR USE,) outside of the parent's or guardian's presence, a firearm or airgun of any kind, or any ammunition or explosive; or

(8) In any municipality of this state, furnishes a minor under 18 years of age with a firearm, airgun, ammunition, or explosive without the written consent of his parent or guardian or of the police department or magistrate of (SUCH) *the municipality, except that participation in the normal activities of firearms safety training courses offered under the auspices of the department of natural resources or under a nationally published standard shall not constitute a violation.*

Subd. 2. [EXCEPTIONS.] Nothing in this section prohibits the possession of the articles mentioned by museums or collectors of art or for other lawful purposes (OF PUBLIC EXHIBITION).

Subd. 3. [LOCAL REGULATION.] *This section shall be construed to supersede municipal or county regulations.*

Sec. 4. Minnesota Statutes 1982, section 624.712, is amended to read:

624.712 [DEFINITIONS.]

Subdivision 1. [TERMS DEFINED.] As used in sections 624.711 to 624.717, the terms defined in this section shall have the meanings given them.

Subd. 2. [HANDGUN.] ("PISTOL") "*Handgun*" includes a weapon designed to be fired by the use of a single hand and with an overall length less than 26 inches, or having a barrel or barrels of a length less than 18 inches in the case of a shotgun or having a barrel of a length less than 16 inches in the case of a rifle (a) from which may be fired or ejected one or more solid projectiles by means of a cartridge or shell or by the action of an explosive or the igniting of flammable or explosive sub-

stances; or (b) for which the propelling force is a spring, elastic band, carbon dioxide, air or other gas, or vapor.

("PISTOL") "*Handgun*" does not include a device firing or ejecting a shot measuring (.18) .22 of an inch, or less, in diameter and commonly known as a "BB gun," a scuba gun, a stud gun or nail gun used in the construction industry or children's pop guns or toys.

Subd. 3. [ANTIQUE FIREARM.] "Antique firearm" means any firearm, including any (PISTOL) *handgun*, with a matchlock, flintlock, percussion cap, or similar type of ignition system, manufactured *in or before* (1899) 1898 and any replica of any firearm described herein if such replica is not designed or redesigned, made or remade, or intended to fire conventional rimfire or conventional centerfire ammunition, or uses conventional rimfire or conventional centerfire ammunition which is not readily available in the ordinary channels of commercial trade.

Subd. 4. [FIREARM.] ("SATURDAY NIGHT SPECIAL PISTOL" MEANS A PISTOL OTHER THAN AN ANTIQUE FIREARM OR A PISTOL FOR WHICH THE PROPELLING FORCE IS CARBON DIOXIDE, AIR OR OTHER VAPOR, OR CHILDREN'S POP GUNS OR TOYS, HAVING A FRAME, BARREL, CYLINDER, SLIDE OR BREECHBLOCK:)

((A) OF ANY MATERIAL HAVING A MELTING POINT (LIQUIDUS) OF LESS THAN 1,000 DEGREES FAHRENHEIT, OR)

((B) OF ANY MATERIAL HAVING AN ULTIMATE TENSILE STRENGTH OF LESS THAN 55,000 POUNDS PER SQUARE INCH, OR)

((C) OF ANY POWDERED METAL HAVING A DENSITY OF LESS THAN 7.5 GRAMS PER CUBIC CENTIMETER) "*Firearm*" means any gun, including shotguns, rifles, and handguns, from which shot or projectile is discharged by means of an explosive, gas, or compressed air.

Subd. 5. [CRIME OF VIOLENCE.] "Crime of violence" includes murder in the first degree, murder in the second degree, murder in the third degree, manslaughter in the first degree, manslaughter in the second degree, aiding suicide, aiding attempted suicide, aggravated assault, use of drugs to injure or to facilitate crime, simple robbery, aggravated robbery, kidnapping, false imprisonment, (AGGRAVATED RAPE, RAPE, AGGRAVATED SODOMY) *criminal sexual conduct in the first degree, criminal sexual conduct in the second degree, criminal sexual conduct in the third degree, felonious theft, (AGGRAVATED) arson in the first degree, riot, burglary, (RECKLESS USE OF A GUN OR DANGEROUS WEAPON, INTENTION-*

ALLY POINTING A GUN AT OR TOWARDS A HUMAN BEING,) setting a spring gun, and unlawfully owning, possessing, or operating a machine gun, and an attempt to commit any of these offenses, as each of those offenses is defined in chapter 609.

Subd. 6. [TRANSFER.] "Transfer" means a sale, gift, loan, assignment, or other delivery to another, whether or not for consideration, of a (PISTOL) *handgun*, or the frame or receiver of a (PISTOL) *handgun*.

Subd. 7. [FULL-TIME POLICE DEPARTMENT.] "*Full-time police department*" means a police department with at least one full-time employee.

Sec. 5. Minnesota Statutes 1982, section 624.713, is amended to read:

624.713 [(CERTAIN) PERSONS NOT TO HAVE (PISTOLS) CERTAIN FIREARMS; PENALTY.]

Subdivision. 1. The following persons shall not be entitled to possess a (PISTOL) *handgun*:

(a) A person under the age of 18 years except that a person under 18 may carry or possess a (PISTOL) *handgun* (i) in the actual presence or under the (DIRECT) supervision of his parent or guardian, (ii) for the purpose of military drill under the auspices of a legally recognized military organization and under competent supervision, (iii) for the purpose of instruction, competition or target practice on a firing range (APPROVED BY THE CHIEF OF POLICE OR COUNTY SHERIFF IN WHOSE JURISDICTION THE RANGE IS LOCATED AND UNDER DIRECT SUPERVISION); (iv) for lawful hunting; or (IV) (v) if the person has successfully completed a course designed to teach marksmanship and safety with a (PISTOL) *firearm* and approved by the commissioner of natural resources (;). *This provision shall not limit inheritance rights or other property rights.*

(b) A person who has been convicted in this state or elsewhere of a crime of violence unless ten years have elapsed since the person has been restored his civil rights or the sentence has expired, whichever occurs first, and during that time he has not been convicted of any other crime of violence. *Persons thus prohibited shall not possess any firearms during the period of their disability.* For purposes of this section, crime of violence includes crimes in other states or jurisdictions which would have been crimes of violence as herein defined if they had been committed in this state (;).

(c) A person who is or has ever been confined or committed in Minnesota or elsewhere as a "mentally ill," "mentally defi-

cient," "*mentally retarded*" or "dangerous to the public" person as those terms (ARE) *were* defined in section 253A.02 or *are* defined in section 253B.02, to a hospital, mental institution or sanitarium, unless he possesses a certificate of a medical doctor or psychiatrist licensed in Minnesota, or other satisfactory (PROOF) *evidence* that he is no longer suffering from this disability (;). *Property rights in firearms shall not be abated.*

(d) A person who has been convicted in Minnesota or elsewhere for the unlawful use, possession or sale of a controlled substance other than conviction for possession of a small amount of marijuana, as defined in section 152.01, subdivision 16, or a person who is or has ever been hospitalized or committed for treatment for the habitual use of a controlled substance or marijuana, as defined in sections 152.01 and 152.02, unless he possesses a certificate of a medical doctor or psychiatrist licensed in Minnesota, or other satisfactory (PROOF) *evidence*, that he has not abused a controlled substance or marijuana during the previous two years; or

(e) A person who has been confined or committed to a hospital, mental institution or sanitarium in Minnesota or elsewhere as an "inebriate person" as that term (IS) *was* defined in section 253A.02 or as a "*chemically dependent person*" as that term is defined in section 253B.02. (OR FOR ALCOHOLIC PROBLEMS,) unless he (POSSESSES A CERTIFICATE OF A MEDICAL DOCTOR OR PSYCHIATRIST LICENSED IN MINNESOTA, OR OTHER SATISFACTORY PROOF, THAT HE HAS NOT ABUSED ALCOHOL DURING THE PREVIOUS TWO YEARS) *has completed treatment*. A person who issues a certificate pursuant to this subdivision in good faith shall not be liable for damages in an action arising out of the issuance. *Property rights shall not be abated.*

Subd. 2. [PENALTY.] A person named in subdivision 1, clause (b) who possesses a (PISTOL) *firearm* is guilty of a felony. A person named in any other clause of subdivision 1 who possesses a (PISTOL) *handgun* is guilty of a gross misdemeanor.

Sec. 6. Minnesota Statutes 1982, section 624.7131, is amended to read:

624.7131 [(TRANSFEREE PERMIT) ANNUAL LICENSE TO PURCHASE HANDGUNS FROM FEDERALLY LICENSED DEALERS; PENALTY.]

Subdivision 1. [REQUIRED INFORMATION.] *Federally licensed dealers shall sell handguns only to holders of licenses to purchase*. Any person may apply for a (PISTOL TRANSFEREE PERMIT) *handgun purchase license* by providing the following information in writing to the chief of police of an organized full time police department of the municipality in which he

resides or to the county sheriff if there is no (SUCH) local chief of police:

(a) The name, residence, telephone number, and driver's license number or nonqualification certificate number, if any, of the (PROPOSED TRANSFEREE) *applicant*;

(b) The sex, date of birth, height, weight, and color of eyes of the (PROPOSED TRANSFEREE) *applicant*;

(c) A statement by the (PROPOSED TRANSFEREE) *applicant* that he is not prohibited by section 624.713 from possessing a (PISTOL) *handgun*.

The statement shall be signed by (THE PERSON APPLYING FOR A PERMIT) *the applicant*. At the time of application, the local police authority shall provide the applicant with a dated receipt for the application.

Subd. 2. [INVESTIGATION.] The chief of police or sheriff shall check criminal histories, records and warrant information relating to the applicant through the Minnesota crime information system *but shall not be required to conduct additional investigation*.

Subd. 3. [FORMS.] Chiefs of police and sheriffs shall make (TRANSFEREE PERMIT) application forms available throughout the community. There shall be no charge for forms, reports, investigations, notifications, *any waivers required in investigating whether the applicant is prohibited from possessing firearms under section 624.713, subdivision 1, clause (b), (c), (d), or (e)* or any other act performed or materials provided by a government employee or agency in connection with application for or issuance of a (TRANSFEREE PERMIT) *license to purchase handguns*.

Subd. 4. [GROUNDS FOR DISQUALIFICATION.] (A DETERMINATION BY THE CHIEF OF POLICE OR SHERIFF THAT) *Unless the applicant is prohibited by section 624.713 from possessing a (PISTOL) handgun, he shall be (THE ONLY BASIS FOR REFUSAL TO GRANT A TRANSFEREE PERMIT) granted a license to purchase handguns*.

Subd. 5. [GRANTING OF (PERMITS) LICENSES TO PURCHASE HANDGUNS.] The chief of police or sheriff shall issue a (TRANSFEREE PERMIT) *license to purchase handguns* or deny the application within seven days of application for the (PERMIT) *license*. The chief of police or sheriff shall provide an applicant with written notification of a denial and the specific reason for the denial. The (PERMITS) *licenses* and their renewal shall be granted free of charge. *The identity and addresses of license holders shall not be public information*.

Subd. 6. [(PERMITS) LICENSES VALID STATEWIDE; RENEWAL.] (TRANSFEREE PERMITS) *Licenses to purchase handguns* issued pursuant to this section are valid statewide for purchase of any number of handguns and shall expire after one year. A (TRANSFEREE PERMIT) *license to purchase handguns* may be renewed in the same manner and subject to the same provisions by which the original (PERMIT) *license* was obtained. (PERMITS) *Licenses* issued pursuant to this section are not transferable. A person who transfers a (PERMIT) *license* in violation of this subdivision is guilty of a misdemeanor.

Subd. 7. [(PERMIT) LICENSE VOIDED.] The (TRANSFEREE PERMIT) *license to purchase handguns* shall be void at the time that the holder becomes prohibited from possessing a (PISTOL) *handgun* under section 624.713, in which event the holder shall return the (PERMIT) *license* within five days to the issuing authority. Failure of the holder to return the permit within the five days is a misdemeanor unless the court finds that the circumstances or the physical or mental condition of the permit holder prevented the holder from complying with the return requirement.

Subd. 8. [HEARING UPON DENIAL.] Any person aggrieved by denial of a (TRANSFEREE PERMIT) *license to purchase handguns* may appeal the denial to the county court or county municipal court having jurisdiction over the county or municipality in which the denial occurred.

Subd. 9. [(PERMIT) LICENSE TO CARRY HANDGUNS.] A valid (PERMIT) *license to carry a handgun or weapon* issued pursuant to section 624.714 constitutes a (TRANSFEREE PERMIT) *license to purchase handguns* for the purposes of this section (AND SECTION 624.7132).

Subd. 10. [TRANSFER (REPORT NOT REQUIRED) TO UNKNOWN OR PROHIBITED PERSON.] (A PERSON WHO TRANSFERS A PISTOL TO A PERSON EXHIBITING A VALID TRANSFEREE PERMIT ISSUED PURSUANT TO THIS SECTION OR A VALID PERMIT TO CARRY ISSUED PURSUANT TO SECTION 624.714 IS NOT REQUIRED TO FILE A TRANSFER REPORT PURSUANT TO SECTION 624.7132, SUBDIVISION 1.) (a) *No person may transfer a handgun to another who is not personally known to the transferor unless the proposed transferee presents evidence of his identity to the transferor. A person who transfers a pistol in violation of this clause is guilty of a misdemeanor.*

(b) *No person who is not personally known to the transferor may become a transferee of a handgun unless he presents evidence of his identity to the transferor. A person who becomes a transferee of a handgun in violation of this clause is guilty of a misdemeanor.*

(c) *No person may transfer a handgun to a person whom he knows to come under the prohibitions of section 624.713, subdivision 1, clause (b). A person who becomes a transferor of a handgun in violation of this clause is guilty of a felony.*

(d) *No person may transfer a handgun to a person whom he knows to come under the prohibitions of section 624.713, subdivision 1, clause (a), (c), (d), or (e). A person who becomes a transferor of a handgun in violation of this clause is guilty of a gross misdemeanor.*

Subd. 11. [PENALTY.] *A person who makes a false statement in order to obtain a (TRANSFEREE PERMIT) license to purchase handguns, knowing or having reason to know the statement is false, is guilty of a gross misdemeanor. A person who makes a false statement in order to obtain a license to purchase handguns, knowing or having reason to know that he is prohibited from handgun ownership under section 624.713, subdivision 1, clause (b), is guilty of a felony.*

Subd. 12. [LOCAL REGULATION SUPERSEDED.] *This section shall be construed to supersede municipal or county regulation of the issuance of (TRANSFEREE PERMITS) licenses to purchase handguns.*

Sec. 7. Minnesota Statutes 1982, section 624.714, is amended to read:

624.714 [CARRYING OF WEAPONS WITHOUT (PERMIT) LICENSE; PENALTIES.]

Subdivision 1. [PENALTY.] *A person, other than a law enforcement officer who has authority to make arrests other than citizens arrests, who carries, holds or possesses a (PISTOL) handgun or weapon in a motor vehicle, snowmobile or boat, or on or about his clothes or person, or otherwise in his possession or control (IN A PUBLIC PLACE OR PUBLIC AREA) without first having obtained a (PERMIT) license to carry the (PISTOL) handgun or weapon is guilty of a gross misdemeanor and the offense shall be cited as carrying a handgun without a license or carrying a weapon without a license, as appropriate. (A PERSON WHO HAS BEEN ISSUED A PERMIT AND WHO ENGAGES IN ACTIVITIES OTHER THAN THOSE FOR WHICH THE PERMIT HAS BEEN ISSUED, IS GUILTY OF A MISDEMEANOR.)*

Subd. 2. [WHERE APPLICATION MADE.] *Applications for (PERMITS) licenses to carry handguns shall be made to the chief of police of an organized full-time police department of the municipality where the applicant resides or to the county sheriff where there is no such local chief of police where the applicant*

resides. At the time of application, the local police authority shall provide the applicant with a dated receipt for the application.

Subd. 3. [CONTENTS.] Applications for (PERMITS) *licenses* to carry *handguns* shall set forth the name, residence, date of birth, height, weight, color of eyes and hair, sex, and distinguishing physical characteristics, if any, of the applicant. The application shall be signed by the applicant. *An applicant who was formerly under the disabilities of section 624.713, subdivision 1, clause (b), (c), (d), or (e) shall include a signed waiver authorizing necessary investigation.*

Subd. 4. [INVESTIGATION.] The application authority shall check criminal records, histories, and warrant information on each applicant through the Minnesota Crime Information System, *but shall not be required to conduct additional investigation.*

Subd. 5. [GRANTING OF (PERMITS) *LICENSES*.] No (PERMIT) *license* to carry *handguns* shall be granted to a person unless the applicant:

(a) Is not a person prohibited by section 624.713 from possessing a (PISTOL) *handgun*;

(b) Provides a firearms safety certificate recognized by the department of natural resources, evidence of successful completion of a test of *basic* ability to use a firearm supervised by the chief of police or sheriff or other satisfactory (PROOF) *evidence* of ability to use a (PISTOL) *handgun* safely (; AND)

((C) HAS AN OCCUPATION OR PERSONAL SAFETY HAZARD REQUIRING A PERMIT TO CARRY).

Subd. 6. [FAILURE TO GRANT (PERMITS) *LICENSES*.] Failure of the chief police officer or the county sheriff to deny the application or issue a (PERMIT) *license* to carry a (PISTOL) *handgun* or *weapon* within 21 days of the date of application shall be deemed to be a grant thereof. The local police authority shall provide an applicant with written notification of a denial and the specific reason for the denial. The (PERMITS) *licenses* and their renewal shall be granted free of charge. (THE PERMIT SHALL SPECIFY THE ACTIVITIES FOR WHICH IT SHALL BE VALID.) *The identity and addresses of license holders shall not be public information.*

Subd. 7. [RENEWAL.] (PERMITS) *Licenses* to carry a (PISTOL) *handgun* or *weapon* issued pursuant to this section shall expire after (ONE YEAR) *three years* and shall thereafter be renewed in the same manner and subject to the same provisions by which the original (PERMIT) *license* was obtained.

Subd. 8. [(PERMIT) LICENSE TO CARRY VOIDED.] The (PERMIT) *license* to carry shall be void at the time that the holder becomes prohibited from possessing a (PISTOL) *handgun* under section 624.713, in which event the holder shall return the (PERMIT) *license* within five days to the application authority. Failure of the holder to return the (PERMIT) *license* within the five days is a gross misdemeanor unless the court finds that the circumstances or the physical or mental condition of the (PERMIT) *license* holder prevented the holder from complying with the return requirement.

Subd. 9. [CARRYING (PISTOLS) HANDGUNS OR WEAPONS ABOUT ONE'S PREMISES OR FOR PURPOSES OF REPAIR, TARGET PRACTICE.] A (PERMIT) *license* to carry *handguns* is not required of a person:

(a) To keep or carry about his place of business, dwelling house, premises or on land possessed by him a (PISTOL) *handgun or other weapon*;

(b) To carry a (PISTOL) *handgun or other weapon* from a place of purchase to his dwelling house or place of business, or from his dwelling house or place of business to or from a place where repairing is done, to have the (PISTOL) *handgun or other weapon* repaired;

(c) To carry a (PISTOL) *handgun or other weapon* between his dwelling house and his place of business;

(d) To carry a (PISTOL) *handgun or other weapon* in the woods or fields or upon the waters of this state or on land possessed by others for the purpose of hunting or of (TARGET SHOOTING IN A SAFE AREA) *other lawful use*; or

(e) To transport a (PISTOL) *handgun or other weapon* in a motor vehicle, snowmobile or boat if the (PISTOL) *handgun or other weapon* is unloaded, contained in a closed and fastened case, gunbox, or securely tied package and no subordinate jurisdiction may make any ordinance, regulation, or rule requiring an outside label or lettering indicating the contents or limiting the articles which may be carried in the case or upon the bearer while transporting the case. In transport a holster shall be considered to be a case if the holster is not worn upon the person.

Subd. 10. [FALSE REPRESENTATIONS.] A person who gives or causes to be given any false information in applying for a permit to carry, knowing or having reason to know the information is false, is guilty of a (GROSS) misdemeanor. When a false representation is given under section 624.713, subdivision 1, clause (b) or (d), the person giving the false information is guilty of a felony.

Subd. 11. [NO LIMIT ON NUMBER OF (PISTOLS) HANDGUNS.] A person shall not be restricted as to the number or description of (PISTOLS) *handguns* or other lawful weapons he may carry.

Subd. 12. [HEARING UPON DENIAL.] Any person aggrieved by denial of a (PERMIT) *license* to carry a *handgun* or other weapon may appeal the denial to the county court having jurisdiction over the county or municipality wherein the notification or denial occurred. The matter shall be heard de novo, without a jury, *except at the option of the person aggrieved.*

Subd. 13. [EXEMPTIONS, PRISON GUARDS.] A (PERMIT) *license* to carry a (PISTOL) *handgun* is not required of a guard at a state adult correctional institution when on guard duty or otherwise engaged in an assigned duty.

Sec. 8. Minnesota Statutes 1982, section 624.715, is amended to read:

624.715 [EXEMPTIONS; ANTIQUES AND ORNAMENTS.]

Sections 624.713 and 624.714 shall not apply to antique firearms or replicas which are carried or possessed as curiosities or for their historical significance or value.

Sec. 9. Minnesota Statutes 1982, section 624.717, is amended to read:

624.717 [LOCAL REGULATION.]

Sections 624.711 to 624.716 shall be construed to supersede municipal or county regulation of the carrying or possessing of (PISTOLS AND THE REGULATION OF SATURDAY NIGHT SPECIAL PISTOLS EXCEPT MORE RESTRICTIVE REGULATION IN CITIES OF THE FIRST CLASS) *handguns* or other weapons.

Sec. 10. [624.7133] [NONDISCRIMINATION.]

No person shall be denied a license to carry a handgun or weapon or a license to purchase a handgun because of race, sex, age except as a minor, or religious beliefs.

Sec. 11. [624.7191] [LIMITATIONS ON LEGISLATION IN SUBORDINATE JURISDICTIONS.]

The legislature declares that it is occupying the whole field of regulation of the acquisition, ownership, possession, storage,

and transportation of firearms and their component parts and ammunition or its component parts. Any existing local ordinances, rules, or regulations covering this subject matter are declared to be void.

Sec. 12. Minnesota Statutes 1982, section 629.361, is amended to read:

629.361 [(RESTORATION) DISPOSITION OF STOLEN AND CONFISCATED PROPERTY; DUTY OF OFFICERS.]

Subdivision 1. [RESTORATION OF STOLEN PROPERTY; DUTY OF OFFICERS.] The officer arresting any person charged as principal or accessory in any robbery, aggravated robbery, or theft shall use reasonable diligence to secure the property alleged to have been stolen, and after seizure shall be answerable therefor while it remains in his hands, and shall annex a schedule thereof to his return of the warrant. When the county attorney shall require such property for use as evidence upon the examination or trial, such officer, upon his demand, shall deliver it to him and take his receipt therefor, after which such county attorney shall be responsible for the same. Upon conviction of the offender, whoever shall hold such property shall turn it over to the owner.

Subd. 2. [DISPOSITION OF STOLEN OR CONFISCATED FIREARMS OR EDGED WEAPONS.] Each jurisdiction shall attempt to trace ownership of stolen or confiscated firearms through the National Crime Information Center or its successor and through the Minnesota Criminal Justice Information System or its successor. Stolen firearms or edged weapons shall be returned to their lawful possessors. In the absence of evidence to the contrary, immediate possession prior to the reported theft shall be treated as legal possession. Except as follows, unclaimed stolen firearms and other confiscated firearms and edged weapons shall be sold at public auction once a year by subordinate jurisdictions. The exceptions shall be:

(a) firearms which have been recovered or confiscated within one year or needed as evidence in a current or future trial;

(b) firearms actively used in the commission of felonies by their owners or with the consent of their owners as established by a court of competent jurisdiction;

(c) firearms falling under section 609.67, except that machine guns shall be transferred to the bureau of criminal apprehension 60 days after written notification of the Minnesota historical society, which shall have the option of acquiring the machine guns without charge; or

(d) firearms from which serial numbers are obliterated in violation of federal law.

No subordinate jurisdiction may damage any firearm or edged weapon suitable for auction or transfer as provided in this subdivision, nor may any firearm be transferred to a second subordinate jurisdiction or party to damage. Subordinate jurisdictions may limit the buyers of handguns and edged weapons at auction to federally licensed dealers and federally licensed collectors. Firearms auctioned under this section are sold in "as is" condition and no product liability shall attach. Public notice of auctions shall be made two weeks or more prior to the auctions. The proceeds of auctions shall be used for purposes as the subordinate jurisdictions shall designate. Firearms and edged weapons falling under clause (b) shall be forwarded to the bureau of criminal apprehension in a manner specified by its superintendent except that the subordinate jurisdiction may retain certain firearms or edged weapons for training or display.

Subd. 3. [CONSTRUCTION.] This section shall be construed to apply to disposition of stolen and confiscated firearms and shall not be construed to govern the disposition of firearms which are not alleged to have been stolen and are in the temporary custody of a law enforcement agency."

Page 2, after line 3, insert:

"Sec. 14. [REPEALER.]

Minnesota Statutes 1982, sections 624.7132; 624.716; and 624.718, are repealed."

Page 2, line 5, delete "to 3" and insert ", 2 and 13"

Page 2, after line 6, insert "Sections 3 to 12 and 14 are effective August 1, 1983."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 3, after the first semicolon, insert "regulating the possession and use of handguns; specifying property rights of certain persons in handguns; prohibiting possession of firearms by certain felons; abolishing transferee permits; providing for licenses to purchase handguns; prohibiting transfer of handguns to unknown persons; requiring licenses to carry handguns; limiting legislation in subordinate jurisdictions; providing for disposition of stolen and confiscated firearms and edged weapons; prohibiting discrimination in the issuance of licenses to purchase a handgun or licenses to carry a handgun or weapon;"

Page 1, line 4, delete "section" and insert "sections"

Page 1, line 4, after "609.224;" insert "609.66; 624.712; 624.713; 624.7131; 624.714; 624.715; 624.717; and 629.361;"

Page 1, line 5, delete "chapter 609" and insert "chapters 609 and 624; repealing Minnesota Statutes 1982, sections 624.7132; 624.716; and 624.718"

Hoberg moved that S. F. No. 752 be temporarily laid over on Special Orders. The motion prevailed.

H. F. No. 782 was reported to the House.

Vanasek moved to amend H. F. No. 782, the first engrossment, as follows:

Page 6, line 26, after "Sections" insert "1,"

Page 6, line 27, delete "1 and"

The motion prevailed and the amendment was adopted.

Begich moved to amend H. F. No. 782, the first engrossment, as amended, as follows:

Page 4, line 15, after "shall," insert "except for violations of section 624.714, subdivision 1,"

A roll call was requested and properly seconded.

The question was taken on the amendment and the roll was called. There were 68 yeas and 48 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Findlay	Kvam	Onnen	Stadum
Battaglia	Fjoslien	Levi	Pauly	Sviggum
Beard	Gruenes	Ludeman	Piepho	Swanson
Begich	Gutknecht	Mann	Quist	Thiede
Bennett	Halberg	Marsh	Redalen	Uphus
Blatz	Haukoos	McDonald	Reif	Valan
Brinkman	Heap	McEachern	Rose	Valento
Burger	Heinitz	Metzen	St. Onge	Waltman
Dempsey	Himle	Munger	Sarna	Welker
DenOuden	Hoberg	Nelson, D.	Schafer	Wenzel
Dimler	Jacobs	Neuenschwander	Scheid	Wigley
Elioff	Jennings	O'Connor	Shaver	Zaffke
Erickson	Johnson	Ogren	Solberg	
Evans	Krueger	Omann	Sparby	

Those who voted in the negative were:

Anderson, G.	Clark, J.	Coleman	Greenfield	Knickerbocker
Bergstrom	Clark, K.	Eken	Hoffman	Knuth
Brandl	Clawson	Forsythe	Jensen	Kostohryz
Carlson, L.	Cohen	Graba	Kahn	Larsen

Long	Otis	Rodriguez, C.	Skoglund	Welch
McKasy	Peterson	Schoenfeld	Tomlinson	Welle
Nelson, K.	Piper	Seaberg	Tunheim	Wynia
Norton	Price	Segal	Vanasek	Speaker Sieben
Olsen	Rice	Shea	Vellenga	
Osthoff	Rodosovich	Simoneau	Voss	

The motion prevailed and the amendment was adopted.

H. F. No. 782, A bill for an act relating to courts; providing for increases in maximum authorized fines for crimes and petty misdemeanors; increasing the value of stolen property necessary for felony theft; increasing the maximum government tort liability limits; amending Minnesota Statutes 1982, sections 3.736, subdivision 4; 466.04, subdivisions 1 and 3; 609.02, subdivisions 3, 4, and 4a; 609.03; and 609.52, subdivision 3; proposing new law coded in Minnesota Statutes, chapter 609; repealing Minnesota Statutes 1982, sections 609.031 and 609.032.

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 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Findlay	Larsen	Piepho	Stadum
Anderson, R.	Fjoslien	Levi	Piper	Sviggum
Battaglia	Forsythe	Long	Price	Swanson
Beard	Graba	Ludeman	Quinn	Thiede
Begich	Gruenes	Mann	Quist	Tomliason
Bennett	Gustafson	Marsh	Redalen	Tunheim
Bergstrom	Gutknecht	McDonald	Reif	Uphus
Berkelman	Halberg	McEachern	Rice	Valan
Blatz	Haukoos	McKasy	Riveness	Valento
Brandl	Heap	Metzen	Rodosovich	Vanasek
Brinkman	Heimitz	Minne	Rodriguez, C.	Vellenga
Burger	Himle	Munger	Rodriguez, F.	Voss
Carlson, L.	Hoberg	Nelson, D.	Rose	Waltman
Clark, J.	Hoffman	Nelson, K.	St. Onge	Welch
Clark, K.	Hokr	Neuenschwander	Sarna	Welker
Clawson	Jacobs	Norton	Schafer	Welle
Cohen	Jennings	O'Connor	Scheid	Wenzel
Coleman	Jensen	Ogren	Schoenfeld	Wigley
Dempsey	Johnson	Olsen	Seaberg	Wynia
DenOuden	Kelly	Omman	Shaver	Zaffke
Dimler	Knickerbocker	Onnen	Shea	Speaker Sieben
Eken	Knuth	Osthoff	Simoneau	
Ellingson	Kostohryz	Otis	Skoglund	
Erickson	Krueger	Pauly	Solberg	
Evans	Kvam	Peterson	Sparby	

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

H. F. No. 855, A bill for an act relating to contracts; prohibiting the enforcement of indemnification agreements in construction contracts; proposing new law coded as Minnesota Statutes, chapter 337.

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:

Anderson, B.	Erickson	Kostohryz	Otis	Skoglund
Anderson, G.	Evans	Krueger	Pauly	Solberg
Anderson, R.	Findlay	Kvam	Peterson	Sparby
Battaglia	Fjoslien	Larsen	Piepho	Stadum
Beard	Forsythe	Levi	Piper	Staten
Begich	Graba	Long	Price	Sviggum
Bennett	Greenfield	Ludeman	Quinn	Swanson
Bergstrom	Gruenes	Mann	Quist	Thiede
Berkelman	Gustafson	Marsh	Redalen	Tomlinson
Bishop	Gutknecht	McDonald	Reif	Tunheim
Blatz	Halberg	McEachern	Rice	Uphus
Brandl	Haukoos	McKasy	Riveness	Valan
Brinkman	Heap	Metzen	Rodosovich	Valento
Burger	Heinitz	Minne	Rodriguez, C.	Vanasek
Carlson, L.	Himle	Munger	Rodriguez, F.	Vellenga
Clark, J.	Hoberg	Murphy	Rose	Voss
Clark, K.	Hoffman	Nelson, D.	St. Onge	Waltman
Clawson	Hokr	Nelson, K.	Sarna	Welch
Cohen	Jacobs	Neuenschwander	Schafer	Welker
Coleman	Jennings	Norton	Scheid	Welle
Dempsey	Jensen	O'Connor	Schoenfeld	Wenzel
DenOuden	Johnson	Ogren	Seaberg	Wigley
Dimler	Kahn	Olsen	Segal	Wynia
Eken	Kelly	Omann	Shaver	Zaffke
Elioff	Knickerbocker	Onnen	Shea	Speaker Sieben
Ellingson	Knuth	Osthoff	Simoneau	

The bill was passed and its title agreed to.

Eken 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 Pro Tem.

REPORT FROM THE COMMITTEE ON RULES AND
LEGISLATIVE ADMINISTRATION

Eken, from the Committee on Rules and Legislative Administration, pursuant to Rule 1.9, designated the following bills as Special Orders to be added to Special Orders pending for today, May 10, 1983:

H. F. Nos. 1029, 1172, 722, 253, 1106, 1190, 1236, 559, 875, 1149 and 1224; and S. F. Nos. 1168, 160, 1152, 812, 923, 1165 and 989.

SPECIAL ORDERS, Continued

H. F. No. 1029 was reported to the House.

Anderson, G., moved to amend H. F. No. 1029, the first engrossment, as follows:

Page 12, line 16, delete "7,000" and insert "5,000"

The motion prevailed and the amendment was adopted.

Shea moved to amend H. F. No. 1029, the first engrossment, as amended, as follows:

Page 9, line 31, strike "every" and insert "a"

Page 9, line 31, after the comma insert "*except a bus registered in Minnesota*"

The motion prevailed and the amendment was adopted.

Jensen moved to amend H. F. No. 1029, the first engrossment, as amended, as follows:

Page 9, line 15 to page 10, line 26, delete Section 9 from the bill and insert:

"Sec. 9. Minnesota Statutes 1982, section 169.85, is amended to read:

169.85 [WEIGHING; PENALTY.]

The driver of (ANY) a vehicle which has been lawfully stopped may be required by a peace officer to submit the vehicle and load to a weighing by means of portable or stationary scales, and the peace officer may require that the vehicle be driven to the nearest available scales (IN THE EVENT THE SCALES ARE WITHIN) *if the distance to the scales is no further than five miles, or if the distance from the point where the vehicle is stopped to the vehicle's destination is not increased by more than ten miles as a result of proceeding to the nearest available scales.* Official traffic control devices as authorized by section 169.06 may be used to direct the driver to the nearest scale. When (ANY) a truck weight enforcement operation is conducted by means of portable or stationary scales and signs giving notice of the operation are posted within the highway right-of-way and adjacent to the roadway within two miles of the operation, the driver of (EVERY) a truck or combination of vehicles registered for or weighing in excess of 12,000 pounds, and the driver of (EVERY)

a charter bus, *except a bus registered in Minnesota*, shall proceed to the scale site and submit the vehicle to weighing and inspection.

Upon weighing a vehicle and load, as provided in this section, an officer may require the driver to stop the vehicle in a suitable place and remain standing until a portion of the load is removed that is sufficient to reduce the gross weight of the vehicle to the limit permitted under section 169.825. *A suitable place is a location where loading or tampering with the load is not prohibited by federal, state, or local law, rule or ordinance.* A driver may be required to unload a vehicle only if the weighing officer determines that (a) on routes subject to the provisions of section 169.825, the weight on (ANY) *an* axle exceeds the lawful gross weight prescribed by section 169.825, by 2,000 pounds or more, or the weight on (ANY) *a* group of two or more consecutive axles in cases where the distance between the centers of the first and last axles of the group under consideration is ten feet or less exceeds the lawful gross weight prescribed by section 169.825, by 4,000 pounds or more; or (b) on routes designated by the commissioner in section 169.832, subdivision 11, the overall weight of the vehicle or the weight on (ANY) *an* axle or group of consecutive axles exceeds the maximum lawful gross weights prescribed by section 169.825; or (c) the weight is unlawful on (ANY) *an* axle or group of consecutive axles on (ANY) *a* road restricted in accordance with section 169.87. (ALL) Material (SO) unloaded (SHALL) *must* be cared for by the owner or driver of the vehicle at the risk of the owner or driver.

(ANY) A driver of a vehicle who fails or refuses to stop and submit the vehicle and load to a weighing as required in this section, or who fails or refuses, when directed by an officer upon a weighing of the vehicle, to stop the vehicle and otherwise comply with the provisions of this section, is guilty of a misdemeanor."

The motion prevailed and the amendment was adopted.

H. F. No. 1029, A bill for an act relating to transportation; modifying the definition of truck-tractor to include the power unit of automobile carriers; adjusting the motor vehicle registration tax on certain trailers; requiring proof of payment of the federal heavy use tax on heavy trucks; increasing the maximum allowable width on vehicles from 8 to 8-1/2 feet; modifying vehicle length requirements to allow longer semi-trailers and vehicle combinations; modifying the gross weight seasonal increase to include all axle combinations; modifying the distance a peace officer may require a vehicle to travel to a scale; increasing width requirement on loads of baled hay before flashing amber lights are required; amending Minnesota Statutes 1982, sections 168.011, subdivision 12; 168.013, subdivision 1d, and by adding a subdivision; 169.01, subdivision 7; 169.80, subdivision 2; 169.81, subdivisions 2 and 3; 169.825, subdivision 11;

169.85; 169.862; 169.871, subdivision 1; and 169.872, by adding a subdivision; repealing Minnesota Statutes 1982, sections 169.80, subdivision 2a; and 169.81, subdivisions 3a, 3b, and 7.

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

The question was taken on the passage of the bill and the roll was called. There were 106 yeas and 17 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Dimler	Knuth	Onnen	Shea
Anderson, G.	Eken	Kostohryz	Otis	Simoneau
Anderson, R.	Elioff	Kvara	Pauly	Skoglund
Battaglia	Ellingson	Larsen	Peterson	Solberg
Beard	Evans	Levi	Piepho	Sparby
Begich	Forsythe	Ludeman	Piper	Stadum
Bennett	Frerichs	Mann	Price	Swanson
Bergstrom	Gruenes	Marsh	Quinn	Thiede
Berkelman	Gustafson	McDonald	Quist	Tunheim
Bishop	Gutknecht	McEachern	Rice	Valento
Blatz	Halberg	McKasy	Riveness	Vellenga
Brandl	Haukoos	Metzen	Rodosovich	Welch
Brinkman	Heap	Munger	Rodriguez, F.	Weiker
Burger	Heinitz	Murphy	Rose	Welle
Carlson, L.	Himle	Nelson, D.	St. Onge	Wenzel
Clark, J.	Hoberg	Nelson, K.	Sarna	Wigley
Clark, K.	Hoffman	Neuenschwander	Schafer	Zaffke
Clawson	Jacobs	Norton	Scheid	Speaker Sieben
Cohen	Jennings	O'Connor	Schoenfeld	
Coleman	Jensen	Ogren	Seaberg	
Dempsey	Kalis	Olsen	Segal	
DenOuden	Knickerbocker	Omann	Shaver	

Those who voted in the negative were:

Erickson	Johnson	Osthoff	Staten	Waltman
Findlay	Kahn	Redalen	Uphus	
Fjoslien	Krueger	Reif	Vanasek	
Greenfield	Minne	Rodriguez, C.	Voss	

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

H. F. No. 722 was reported to the House.

Jacobs moved that H. F. No. 722 be continued on Special Orders for one day. The motion prevailed.

H. F. No. 253 was reported to the House.

Norton moved that H. F. No. 253 be temporarily laid over on Special Orders. The motion prevailed.

H. F. No. 1106 was reported to the House.

There being no objection, H. F. No. 1106 was temporarily laid over on Special Orders for today.

H. F. No. 1190 was reported to the House.

Riveness moved that H. F. No. 1190 be continued on Special Orders until Thursday, May 12, 1983. The motion prevailed.

H. F. No. 1236 was reported to the House.

Riveness moved that H. F. No. 1236 be continued on Special Orders for one day. The motion prevailed.

H. F. No. 559 was reported to the House.

Schoenfeld moved that H. F. No. 559 be continued on Special Orders for one day. The motion prevailed.

H. F. No. 875, A bill for an act relating to the city of Bloomington; permitting the establishment of special service districts; providing taxing and other financial authority for Bloomington.

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 124 yeas and 1 nay as follows:

Those who voted in the affirmative were:

Anderson, B.	Findlay	Knuth	Osthoff	Shea
Anderson, G.	Fjoslien	Kostohryz	Otis	Skoglund
Battaglia	Forsythe	Krueger	Pauly	Solberg
Beard	Frerichs	Kvam	Peterson	Sparby
Begich	Graba	Levi	Piepho	Stadum
Bennett	Greenfield	Long	Piper	Staten
Bergstrom	Gruenes	Ludeman	Price	Sviggum
Berkelman	Gustafson	Mann	Quist	Swanson
Bishop	Gutknecht	Marsh	Redalen	Thiede
Blatz	Halberg	McDonald	Reif	Tomlinson
Brandl	Haukoos	McEachern	Rice	Tunheim
Brinkman	Heap	McKasy	Riveness	Uphus
Burger	Heinritz	Metzen	Rodosovich	Valento
Carlson, L.	Himle	Minne	Rodriguez, C.	Vanasek
Clark, K.	Hoberg	Munger	Rodriguez, F.	Velienga
Cohen	Hoffman	Murphy	Rose	Voss
Coleman	Hokr	Nelson, D.	St. Onge	Waltman
Dempsey	Jacobs	Nelson, K.	Sarna	Welch
DenOuden	Jennings	Neuenschwander	Schafer	Welle
Dimler	Jensen	Norton	Scheid	Wenzel
Eken	Johnson	O'Connor	Schoenfeld	Wigley
Elioff	Kahn	Ogren	Schreiber	Wynia
Ellingson	Kalis	Olsen	Seaberg	Zaffke
Erickson	Kelly	Omman	Segal	Speaker Sieben
Evans	Knickerbocker	Onnen	Shaver	

Those who voted in the negative were:

Welker

The bill was passed and its title agreed to.

H. F. No. 1149 was reported to the House.

Clawson moved that H. F. No. 1149 be temporarily laid over on Special Orders. The motion prevailed.

H. F. No. 1224 was reported to the House.

Ogren moved to amend H. F. No. 1224, the first engrossment, as follows:

Page 2, line 17, delete "30" and insert "60"

The motion prevailed and the amendment was adopted.

H. F. No. 1224, A bill for an act relating to occupations and professions; regulating the period of time between professional boxing contests, matches, or exhibitions; amending Minnesota Statutes 1982, section 341.115; proposing new law coded in Minnesota Statutes, chapter 341.

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 89 yeas and 33 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Evans	Larsen	Peterson	Stadum
Battaglia	Findlay	Levi	Piepho	Svigum
Beard	Fjoslien	Ludeman	Price	Swanson
Begich	Frerichs	Mann	Quinn	Thiede
Bennett	Gruenes	Marsh	Quist	Tomlinson
Bergstrom	Gutknecht	McDonald	Reif	Uphus
Berkelman	Halberg	McEachern	Riveness	Valan
Bishop	Heinitz	McKasy	Rodriguez, F.	Valent
Blatz	Himie	Metzen	Rose	Vanasek
Brinkman	Hoberg	Munger	St. Onge	Vellenga
Burger	Hoffman	Murphy	Sarna	Voss
Carlson, L.	Jacobs	Neuenschwander	Schafer	Waltman
Clawson	Jensen	O'Connor	Scheid	Welch
Dempsey	Kalis	Ogren	Schoenfeld	Welker
DenOuden	Kelly	Olsen	Schreiber	Wenzel
Dimler	Knickerbocker	Omann	Seaberg	Zaffke
Eken	Kostohryz	Onnen	Shaver	Speaker Sieben
Elioff	Kvam	Osthoff	Solberg	

Those who voted in the negative were:

Anderson, B.	Graba	Knuth	Rice	Staten
Brandl	Greenfield	Krueger	Rodriguez, C.	Tunheim
Clark, J.	Gustafson	Minne	Segal	Welle
Clark, K.	Haukoos	Nelson, D.	Shea	Wigley
Cohen	Jennings	Nelson, K.	Simoneau	Wynia
Ellingson	Johnson	Norton	Skoglund	
Erickson	Kahn	Redalen	Sparby	

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

S. F. No. 1168, A bill for an act relating to insurance; covered claims under the insurance guaranty act; rulemaking power of commissioner on nonrenewal of auto insurance and self-insurance; application fee for self-insurers; commissioner to adopt rules on nonrenewals of policies; amending Minnesota Statutes 1982, sections 60C.09, subdivision 1; 65B.17; and 65B.48, subdivision 3, 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 129 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Fjoslien	Krueger	Pauly	Skoglund
Anderson, G.	Forsythe	Kvam	Peterson	Solberg
Battaglia	Frerichs	Larsen	Piepho	Sparby
Beard	Graba	Levi	Piper	Stadum
Begich	Greenfield	Long	Price	Staten
Bennett	Gruenes	Ludeman	Quinn	Sviggum
Bergstrom	Gustafson	Mann	Quist	Swanson
Berkelman	Gutknecht	Marsh	Redalen	Thiede
Bishop	Halberg	McDonald	Reif	Tomlinson
Blatz	Haukoos	McEachern	Rice	Tunheim
Brandl	Heap	McKasy	Riveness	Uphus
Brinkman	Heinitz	Metzen	Rodosovich	Valan
Burger	Himle	Minne	Rodriguez, C.	Valento
Carlson, L.	Hoberg	Munger	Rodriguez, F.	Vanasek
Clark, J.	Hoffman	Murphy	Rose	Vellenga
Clark, K.	Hokr	Nelson, D.	St. Onge	Voss
Cohen	Jacobs	Nelson, K.	Sarna	Waltman
Coleman	Jennings	Neuenschwander	Schafer	Welch
DenOuden	Jensen	Norton	Scheid	Welker
Dimler	Johnson	O'Connor	Schoenfeld	Welle
Eken	Kahn	Ogren	Schreiber	Wenzel
Elioff	Kalis	Olsen	Seaberg	Wigley
Ellingson	Kelly	Omann	Segal	Wynia
Erickson	Knickerbocker	Onnen	Shaver	Zaffke
Evans	Knuth	Oshoff	Shea	Speaker Sieben
Findlay	Kostohryz	Otis	Simoneau	

The bill was passed and its title agreed to.

CONSIDERATION UNDER RULE 1.10

Pursuant to rule 1.10, Rice requested immediate consideration of H. F. No. 77.

H. F. No. 77 was reported to the House.

Kostohryz moved to amend H. F. No. 77, the third engrossment, as follows:

Page 2, line 30, delete "*three are for terms*" and insert "*one is for a term*"

Page 2, line 30, delete the second "*three*" and insert "*two*"

Page 2, line 31, delete "*three*" and insert "*two*"

The motion prevailed and the amendment was adopted.

Knickerbocker moved to amend H. F. No. 77, the third engrossment, as amended, as follows:

Page 2, line 25, delete "*five*" and insert "*nine*"

Page 2, line 27, after the period, insert "*At least one member shall be from each congressional district.*"

Page 2, line 27, delete "*three*" and insert "*five*"

Further delete the Kostohryz amendment

A roll call was requested and properly seconded.

The question was taken on the amendment and the roll was called. There were 73 yeas and 55 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Findlay	Knuth	Omann	Shea
Anderson, G.	Fjoslien	Krueger	Osthoff	Skoglund
Battaglia	Forsythe	Larsen	Otis	Solberg
Begich	Graba	Marsh	Peterson	Staten
Bergstrom	Greenfield	McDonald	Quinn	Swanson
Bishop	Gruenes	Minne	Quist	Thiede
Brandl	Gustafson	Munger	Rivness	Tunheim
Brinkman	Gutknecht	Murphy	Rodosovich	Voss
Burger	Halberg	Nelson, D.	Rose	Waltman
Clark, K.	Heap	Nelson, K.	St. Onge	Welch
Clawson	Heinitz	Neuenschwander	Sarna	Wenzel
Coleman	Hoberg	Norton	Scheid	Wynia
Dimler	Jacobs	O'Connor	Schoenfeld	Zaffke
Ellingson	Kelly	Ogren	Schreiber	
Erickson	Knickerbocker	Olsen	Shaver	

Those who voted in the negative were :

Anderson, R.	Frerichs	Kvam	Price	Sviggum
Beard	Haukoos	Levi	Redalen	Tomlinson
Bennett	Himle	Long	Reif	Uphus
Berkelman	Hoffman	Ludeman	Rice	Valan
Blatz	Hokr	McEachern	Rodriguez, C.	Valento
Carlson, L.	Jennings	McKasy	Rodriguez, F.	Vanasek
Clark, J.	Jensen	Metzen	Schafer	Vellenga
Cohen	Johnson	Onnen	Seaberg	Welker
DenOuden	Kahn	Pauly	Segal	Welle
Elioff	Kalis	Piepho	Sparby	Wigley
Evans	Kostohryz	Piper	Stadum	Speaker Sieben

The motion prevailed and the amendment was adopted.

Neuenschwander was excused for the remainder of today's session.

Redalen, Jensen and Blatz moved to amend H. F. No. 77, the third engrossment, as amended, as follows :

Pages 29 and 30, delete section 34

Renumber the remaining sections accordingly

Page 31, line 10, delete "35" and insert "34"

Amend the title as follows :

Page 1, line 9, delete everything after the semicolon

Page 1, delete line 10

Page 1, line 11, delete "circumstances;"

A roll call was requested and properly seconded.

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

Those who voted in the affirmative were :

Anderson, G.	Gustafson	Levi	Pauly	Shaver
Anderson, R.	Gutknecht	Ludeman	Piepho	Sparby
Bennett	Heap	Mann	Piper	Sviggum
Berkelman	Heinitz	McDonald	Price	Tomlinson
Blatz	Himle	McEachern	Redalen	Uphus
Brinkman	Hoberg	McKasy	Reif	Valento
Burger	Hoffman	Metzen	Rodriguez, F.	Vanasek
Clark, J.	Hokr	Minne	Rose	Waltman
Dempsey	Jacobs	O'Connor	St. Onge	Welker
Eken	Jennings	Ogren	Sarna	Welle
Evans	Jensen	Omann	Schafer	Wigley
Frerichs	Johnson	Onnen	Schreiber	
Gruenes	Kostohryz	Osthoff	Seaberg	

Those who voted in the negative were:

Anderson, B.	Elioff	Knickerbocker	Quinn	Staten
Battaglia	Ellingson	Knuth	Quist	Swanson
Beard	Erickson	Krueger	Rice	Thiede
Begich	Findlay	Kvam	Riveness	Tunheim
Bergstrom	Fjoslien	Larsen	Rodosovich	Valan
Bishop	Forsythe	Long	Rodriguez, C.	Vellenga
Brandl	Graba	Marsh	Scheid	Voss
Carlson, D.	Greenfield	Munger	Schoenfeld	Welch
Carlson, L.	Halberg	Murphy	Segal	Wenzel
Clark, K.	Haukoos	Nelson, D.	Shea	Wynia
Cohen	Kahn	Nelson, K.	Skoglund	Zaffke
Coleman	Kalis	Oris	Solberg	
DenOuden	Kelly	Peterson	Stadum	

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

The Speaker resumed the Chair.

Schreiber moved to amend H. F. No. 77, the third engrossment, as amended, as follows:

Page 28, delete lines 14 to 27

Re-number the remaining sections

Amend the title as follows:

Page 1, line 12, delete "273.76, by adding a"

Page 1, line 13, delete "subdivision"

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

MOTION FOR RECONSIDERATION

Halberg moved that the vote whereby the Redalen, Jensen and Blatz amendment to H. F. No. 77 was not adopted be now reconsidered.

A roll call was requested and properly seconded.

The question was taken on the Halberg motion to reconsider and the roll was called. There were 70 yeas and 60 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Blatz	Carlson, D.	Eken	Gruenes
Bennett	Brinkman	Dempsey	Evans	Gustafson
Berkelman	Burger	Dimler	Frerichs	Gutknecht

Halberg	Johnson	Minne	Redalen	Stadum
Haukoos	Kelly	O'Connor	Reif	Sviggum
Heap	Kostohryz	Ogren	Rodriguez, F.	Tomlinson
Heinitz	Kvam	Olsen	Rose	Uphus
Himle	Levi	Omann	St. Onge	Valento
Hoberg	Ludeman	Osthoff	Sarna	Vanasek
Hoffman	Mann	Pauly	Schafer	Waltman
Hokr	McDonald	Piepho	Schreiber	Welker
Jacobs	McEachern	Piper	Seaberg	Weile
Jennings	McKasy	Price	Shaver	Wigley
Jensen	Metzen	Quinn	Sparby	Speaker Sieben

Those who voted in the negative were:

Anderson, B.	Cohen	Kalis	Otis	Solberg
Anderson, G.	Coleman	Knickerbocker	Peterson	Staten
Battaglia	DenOuden	Knuth	Quist	Swanson
Beard	Elioff	Krueger	Rice	Thiede
Begich	Ellingson	Larsen	Riveness	Tunheim
Bergstrom	Erickson	Long	Rodosovich	Valan
Bishop	Findlay	Marsh	Rodriguez, C.	Vellenga
Brandl	Fjoslien	Munger	Scheid	Voss
Carlson, L.	Forsythe	Murphy	Schoenfeld	Welch
Clark, J.	Graba	Nelson, D.	Segal	Wenzel
Clark, K.	Greenfield	Nelson, K.	Shea	Wynia
Clawson	Kahn	Norton	Skoglund	Zaffke

The motion prevailed.

Wenzel was excused for the remainder of today's session.

The Redalen, Jensen and Blatz amendment was reported to the House.

Redalen, Jensen and Blatz moved to amend H. F. No. 77, the third engrossment, as amended, as follows:

Pages 29 and 30, delete section 34

Renumber the remaining sections accordingly

Page 31, line 10, delete "35" and insert "34"

Amend the title as follows:

Page 1, line 9, delete everything after the semicolon

Page 1, delete line 10

Page 1, line 11, delete "circumstances;"

A roll call was requested and properly seconded.

The question was taken on the amendment and the roll was called. There were 67 yeas and 62 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Cutknecht	Levi	Piepho	Stadum
Anderson, R.	Halberg	Ludeman	Piper	Sviggun
Bennett	Haukoos	Mann	Price	Tomlinson
Berkelman	Heap	McDonald	Redalen	Uphus
Blatz	Heinitz	McEachern	Reif	Valento
Brinkman	Himle	McKasy	Rodriguez, F.	Vanasek
Burger	Hoberg	Metzen	Rose	Waltman
Dempsey	Hoffman	Minne	St. Onge	Welker
Dimler	Hokr	O'Connor	Sarna	Welle
Eken	Jacobs	Ogren	Schafer	Wigley
Evans	Jennings	Omann	Schreiber	Speaker Sieben
Frerichs	Jensen	Onnen	Seaberg	
Gruenes	Johnson	Osthoff	Shaver	
Gustafson	Kostohryz	Pauly	Sparby	

Those who voted in the negative were:

Anderson, B.	Coleman	Knickerbocker	Peterson	Staten
Battaglia	DenOuden	Knuth	Quinn	Swanson
Beard	Elioff	Krueger	Quist	Thiede
Begich	Ellingson	Larsen	Rice	Tunheim
Bergstrom	Erickson	Long	Riveness	Valan
Bishop	Findlay	Marsh	Rodosovich	Vellenga
Brandl	Fjoslien	Munger	Rodriguez, C.	Voss
Carlson, D.	Forsythe	Murphy	Scheid	Welch
Carlson, L.	Craba	Nelson, D.	Schoenfeld	Wynia
Clark, J.	Greenfield	Nelson, K.	Segal	Zaffke
Clark, K.	Kahn	Norton	Shea	
Clawson	Kalis	Olsen	Skoglund	
Cohen	Kelly	Otis	Solberg	

The motion prevailed and the amendment was adopted.

Burger moved to amend H. F. No. 77, the third engrossment, as amended, as follows:

Page 30, line 31 to page 31, line 8, delete Section 35 from the bill

A roll call was requested and properly seconded.

The question was taken on the amendment and the roll was called. There were 33 yeas and 87 nays as follows:

Those who voted in the affirmative were:

Blatz	Fjoslien	Kvam	Rose	Vellenga
Burger	Forsythe	Ludeman	Schafer	Welker
Carlson, D.	Frerichs	McDonald	Scheid	Wigley
DenOuden	Gruenes	Nelson, K.	Shaver	Wynia
Erickson	Cutknecht	Quist	Stadum	Zaffke
Evans	Haukoos	Rice	Thiede	
Findlay	Heinitz	Rodriguez, C.	Valento	

Those who voted in the negative were:

Anderson, B.	Eken	Kostohryz	Osthoff	Segal
Anderson, G.	Elioff	Krueger	Otis	Solberg
Anderson, R.	Ellingson	Larsen	Pauly	Sparby
Battaglia	Graha	Levi	Peterson	Staten
Beard	Greenfield	Long	Piepho	Swiggum
Begich	Gustafson	Mann	Piper	Swanson
Bennett	Halberg	McEachern	Price	Tomlinson
Bergstrom	Himle	Metzen	Quinn	Tunheim
Berkelman	Hoberg	Minne	Redalen	Uphus
Bishop	Hoffman	Munger	Reif	Vanasek
Brandl	Jacobs	Murphy	Riveness	Voss
Brinkman	Jeanings	Nelson, D.	Rodosovich	Waltman
Carlson, L.	Jensen	Norton	Rodriguez, F.	Welch
Clark, J.	Johnson	O'Connor	St. Onge	Welle
Clark, K.	Kahn	Ogren	Sarna	Speaker Sieben
Clawson	Kalis	Olsen	Schoenfeld	
Cohen	Kelly	Omamm	Schreiber	
Dempsey	Knuth	Onnen	Seaberg	

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

Burger moved to amend H. F. No. 77, the third engrossment, as amended, as follows:

Page 30, line 34, delete "\$247,000" and insert "\$234,650"

Page 30, line 35, delete "\$344,300" and insert "\$326,800"

Page 31, line 3, delete "\$150,000" and insert "\$142,500"

A roll call was requested and properly seconded.

The question was taken on the amendment and the roll was called. There were 65 yeas and 66 nays as follows:

Those who voted in the affirmative were:

Bennett	Fjoslien	Jennings	Olsen	Shaver
Bishop	Forsythe	Johnson	Omann	Shea
Blatz	Frerichs	Knickerbocker	Pauly	Skoglund
Burger	Graha	Knuth	Piepho	Stadum
Carlson, D.	Gruenes	Krueger	Quist	Swiggum
Clark, K.	Gutknecht	Kvam	Reif	Thiede
Coleman	Haukoos	Levi	Rodosovich	Uphus
Dempsey	Heap	Ludeman	Rodriguez, C.	Valan
DenOuden	Heinitz	Marsh	Rose	Valento
Dimler	Himle	McDonald	Schafer	Waltman
Erickson	Hoberg	McKasy	Schoenfeld	Welker
Evans	Hoffman	Murphy	Schreiber	Wigley
Findlay	Hokr	Norton	Seaberg	Zaffke

Those who voted in the negative were:

Anderson, B.	Battaglia	Bergstrom	Brinkman	Clawson
Anderson, G.	Beard	Berkelman	Carlson, L.	Cohen
Anderson, R.	Begich	Brandl	Clark, J.	Eken

Elioff	Larsen	Onnen	St. Onge	Vanasek
Ellingson	Long	Osthoff	Sarna	Vellenga
Greenfield	Mann	Otis	Scheid	Voss
Gustafson	McEachern	Peterson	Segal	Welch
Halberg	Metzen	Piper	Simoneau	Welle
Jacobs	Minne	Price	Solberg	Wynia
Jensen	Munger	Quinn	Sparby	Speaker Sieben
Kahn	Nelson, D.	Redalen	Staten	
Kalis	Nelson, K.	Rice	Swanson	
Kelly	O'Connor	Riveness	Tomlinson	
Kostohryz	Ogren	Rodriguez, F.	Tunheim	

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

Clawson was excused for the remainder of today's session.

H. F. No. 77, A bill for an an act relating to horse racing; creating a Minnesota racing commission and providing for its membership, powers, and duties; authorizing the licensing of persons to operate racetracks, conduct horse racing, engage in certain occupations, and conduct pari-mutuel betting on horse racing; prescribing taxes and license fees; establishing a Minnesota breeders fund; providing penalties; appropriating money; amending Minnesota Statutes 1982, sections 38.04; 273.76, by adding a subdivision; 609.75, subdivision 3; and 609.761; proposing new law coded as Minnesota Statutes, chapter 240.

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 92 yeas and 37 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Evans	Kalis	Omann	Segal
Anderson, R.	Findlay	Kelly	Osthoff	Shaver
Battaglia	Fjoslien	Knickerbocker	Pauly	Shea
Beard	Greenfield	Knuth	Peterson	Simoneau
Begich	Gustafson	Kostohryz	Piepho	Solberg
Bennett	Gutknecht	Krueger	Piper	Sparby
Bergstrom	Halberg	Larsen	Price	Staten
Berkelman	Haukoos	Levi	Quinn	Swiggum
Blatz	Heap	Mann	Redalen	Tomlinson
Brinkman	Heinitz	McEachern	Reif	Tunheim
Carlson, D.	Himle	McKasy	Riveness	Vanasek
Carlson, L.	Hoberg	Metzen	Rodosovich	Voss
Clark, J.	Hoffman	Minne	Rodriguez, F.	Waltman
Cohen	Hokr	Murphy	Rose	Welch
Coleman	Jacobs	Nelson, D.	St. Onge	Welle
Dempsey	Jennings	Norton	Sarna	Speaker Sieben
Eken	Jensen	O'Connor	Schoenfeld	
Elioff	Johnson	Ogren	Schreiber	
Ellingson	Kahn	Olsen	Seaberg	

Those who voted in the negative were:

Anderson, B.	Frerichs	Munger	Scheid	Vellenga
Bishop	Graba	Nelson, K.	Skoglund	Welker
Brandl	Gruenes	Onnen	Stadum	Wigley
Burger	Kvam	Otis	Swanson	Wynia
Clark, K.	Long	Quist	Thiede	Zaffke
DenOuden	Ludeman	Rice	Uphus	
Erickson	Marsh	Rodriguez, C.	Vajan	
Forsythe	McDonald	Schafer	Valento	

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

There being no objection the order of business reverted to Introduction and First Reading of House Bills.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

Rice, for the Committee on Appropriations, introduced:

H. F. No. 1298, A bill for an act relating to the organization and operation of state government; appropriating money for welfare, corrections, health, and other purposes with certain conditions; providing appropriations for the departments of public welfare, economic security, corrections, health, sentencing guidelines commission, corrections ombudsman, and health related boards; amending Minnesota Statutes 1982, sections 13.46, subdivision 2; 144.653, subdivision 2; 144A.10, subdivision 2; 145.881; 145.882; 145.921, subdivision 1; 245.62; 245.66; 246.51, subdivision 1; 246.57, by adding a subdivision; 251.011, subdivision 6; 252.24, subdivision 1; 252.28; 256.01, subdivision 2; 256.82, by adding a subdivision; 256.966, subdivision 1; 256.967; 256.968; 256B.02, subdivision 8; 256B.04, subdivision 14, and by adding a subdivision; 256B.041, subdivisions 2 and 5; 256B.-06, subdivision 1; 256B.061; 256B.064, subdivisions 1a and 2; 256B.07; 256B.14, subdivision 2; 256B.17, by adding a subdivision; 256B.19, by adding a subdivision; 256B.27, subdivisions 3 and 4; 256D.01, subdivision 1; 256D.02, subdivision 4, and by adding a subdivision; 256D.03, subdivision 4, and by adding a subdivision; 256D.05, subdivision 1a; 256D.06, subdivision 5; 256D.09, subdivision 2, and by adding a subdivision; 256E.06, subdivision 2, and by adding a subdivision; 401.14, by adding a subdivision; 401.15, subdivision 1; and Laws 1981, chapter 360, section 10; proposing new law coded in Minnesota Statutes, chapters 145; 246; 252; 256; 256B; and 256D; proposing new law coded as Minnesota Statutes, chapter 268A; repealing Minnesota Statutes 1982, sections 256D.02, subdivision 14; 256D.06, subdivision 1a; Laws 1979, chapter 336, section 5; and Laws 1981, chapter 323, section 4.

The bill was read for the first time and laid over one day.

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. 1259, A bill for an act relating to the operation of government in this state; modifying the definition of gross income; adopting federal definitions of itemized deductions; updating the references to the Internal Revenue Code; extending the duration of the temporary income tax surtax and changing its computation; modifying the deduction of federal income taxes; assigning certain gambling winnings by nonresidents to Minnesota; imposing withholding tax on certain gambling winnings and horse racing purses; repealing certain income tax credits for pollution control expenditures; limiting the subtraction for unemployment compensation; providing for timely payment of withholding income taxes; modifying the dependent care credit; providing for certain studies; changing the refund method for the sales tax on electricity used in agricultural production; clarifying the uses of funds from the non-game wildlife check-off; making the six percent sales and use tax rate permanent; increasing the motor vehicle excise tax rate to six percent; modifying the enterprise zone law; providing for state tax incentives in enterprise zones; limiting the number of enterprise zones; reducing the corporate income tax rate; eliminating the deduction for certain income and franchise taxes paid by corporations; changing the deduction for corporate capital gains; providing small business investment credits; providing an additional research credit; modifying the definition of market value; requiring additional information on the certificate of value; mandating that homestead affidavits be filed in all counties; requiring that all contracts for deed be recorded; restricting the use of sales ratio studies as evidence; eliminating the agricultural mill rate credit on farm homes; increasing the agricultural mill rate credit on certain property and providing a maximum credit amount; clarifying the property classification for certain timber property; modifying the wetlands credit; modifying the utility property tax credit; changing certain property tax classification ratios; exempting contracts for deed from the mortgage registry tax and providing penalties for failure to file; exempting cities and towns with populations under 5,000 from levy limitations; modifying the method by which levy limitations are calculated; adding a special levy for certain county purposes; establishing a new homestead credit formula for certain homestead property; modifying the property tax refund formula and increasing

the maximum credit; changing the payment dates for the property tax refund; altering the sales tax on liquor, wine, and beer; changing the excise tax credit on fermented malt beverages; delaying the effective date of the rent capitalization method used in assessing agricultural land; repealing the native prairie credit and reimbursement; repealing the wetlands reimbursement; modifying school district cash flow; establishing school aid payment dates for fiscal year 1985 and thereafter; requiring that property taxes be paid 15 days earlier; altering property tax settlement dates; modifying the local government aids distribution formula for counties, cities, and towns; phasing out attached machinery aids and reduced assessment aids; enacting the multi-state tax compact; changing the definition of basic cost of cigarettes for purposes of the unfair cigarette sales act; appropriating money; amending Minnesota Statutes 1982, sections 116J.42, subdivision 7; 124.2137, subdivision 1; 272.02, subdivision 1; 272.03, subdivision 8; 272.115, subdivision 1; 273.11, subdivision 1; 273.115, subdivisions 1, 2, and 3; 273.13, subdivisions 6, 6a, 7, 8a, 9, 11, 14a, 17, 17b, 17c, 20, and by adding a subdivision; 273.1312, subdivisions 2, 3, 4, and 5; 273.1313, subdivisions 1, 2, 3, and 5; 273.138, by adding a subdivision; 273.139, by adding a subdivision; 275.50, subdivision 2, and by adding subdivisions; 275.51, by adding subdivisions; 275.53, by adding a subdivision; 276.09; 276.10; 276.11; 278.01, subdivisions 1 and 2; 278.03; 278.05, subdivisions 4 and 5; 279.01, subdivision 1; 287.05, subdivision 1; 290.01, subdivisions 19, 20, 20a, as amended, 20b, as amended, and 20f; 290.05, subdivision 6; 290.06, subdivisions 1, 2e, as amended, 11, and 14; 290.067, subdivisions 1 and 2; 290.068, by adding a subdivision; 290.09, subdivisions 1, 2, 3, as amended, 4, 5, 28, and 29; 290.091; 290.14; 290.16, subdivision 4; 290.17, subdivision 2; 290.18, subdivisions 1 and 2; 290.21, subdivisions 1 and 3; 290.23, subdivisions 5; 290.31, subdivisions 2 and 3; 290.39, subdivision 2; 290.431; 290.46; 290.92, subdivisions 2a, 6, and by adding subdivisions; 290A.03, subdivisions 3, 6, 8, 11, 13, as amended, and by adding a subdivision; 290A.04, subdivisions 1, 2, 2a, 2b, and 3; 290A.07, subdivision 2a; 290A.16; 290A.18; 290A.19; 297A.02, as amended; 297A.03, subdivision 2, as amended; 297A.14, as amended; 297A.35, subdivision 3; 297B.02, as amended; 325D.32, subdivision 9; 340.14, subdivision 1; 340.47, subdivision 2; 473F.08, subdivision 7a; 477A.011, subdivisions 6, 7, 10, and by adding subdivisions; 477A.012; 477A.013; 477A.014, subdivision 1; and Laws 1981, First Special Session chapter 1, article II, section 25; and Third Special Session chapter 2, article III, section 22, as amended; proposing new law coded in Minnesota Statutes, chapters 116C; 124; 273; 290; 477A; and 507; repealing Minnesota Statutes 1982, sections 273.116; 273.138, subdivisions 1, 2, 3, 4, 5, and 6; 273.139, subdivisions 1 and 2; 273.42, subdivision 2; 273.425; 275.51, subdivisions 3e and 5; 290.01, subdivisions 23, 27, and 28; 290.032, subdivision 5; 290.06, subdivisions 9 and 9a; 290.077, subdivision 2; 290.08, subdivision 25; 290.09, subdivisions 10, 15, 22, and 27; 290.21, subdivision 3a; 290.501; 290A.07, subdivision 3; 340.986; 352C.07; 477A.011, subdivisions 8 and 9; and Laws 1982, chapter

523, article VII, section 3; and Third Special Session chapter 1, article V, section 4.

PATRICK E. FLAHAVEN, Secretary of the Senate

Tomlinson moved that the House refuse to concur in the Senate amendments to H. F. No. 1259, 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.

SPECIAL ORDERS, Continued

S. F. No. 160 was reported to the House.

There being no objection, S. F. No. 160 was continued on Special Orders for one day.

Blatz was excused for the remainder of today's session.

The Speaker called Wynia to the Chair.

S. F. No. 1152, A bill for an act relating to marriage dissolution; clarifying factors to be considered in modifying a child support order; amending Minnesota Statutes 1982, section 518.64, 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 120 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Dempsey	Heinitz	Mann	Peterson
Anderson, G.	DenOuden	Himle	Marsh	Piepho
Anderson, R.	Dimler	Hoberg	McDonald	Piper
Battaglia	Eken	Hoffman	McEachern	Price
Beard	Elioff	Hokr	McKasy	Quinn
Begich	Ellingson	Jacobs	Minne	Quist
Bennett	Erickson	Jennings	Munger	Reif
Bergstrom	Evans	Jensen	Murphy	Rice
Berkelman	Findlay	Johnson	Nelson, D.	Riveness
Bishop	Fjoslien	Kahn	Nelson, K.	Rodosovich
Brandl	Forsythe	Kelly	Norton	Rodriguez, C.
Brinkman	Frerichs	Knickerbocker	O'Connor	Rodriguez, F.
Burger	Graba	Knuth	Ogren	Rose
Carlson, D.	Greenfield	Kostohryz	Olsen	St Onge
Carlson, L.	Gruenes	Krueger	Omamn	Schafer
Clark, J.	Gustafson	Kvam	Onnen	Scheid
Clark, K.	Gutknecht	Levi	Osthoff	Schoenfeld
Cohen	Haukoos	Long	Otis	Schreiber
Coleman	Heap	Ludeman	Pauly	Seaberg

Segal	Solberg	Thiede	Vanasek	Welle
Shaver	Sparby	Tomlinson	Velienga	Wigley
Shea	Staten	Tunheim	Voss	Wynia
Simoneau	Sviggum	Uphus	Waltman	Zaffke
Skoglund	Swanson	Valento	Welch	Speaker Sieben

The bill was passed and its title agreed to.

S. F. No. 812, A bill for an act relating to highway traffic regulations; clarifying certain bumper requirements; restricting the height of bumpers on certain vehicles; amending Minnesota Statutes 1982, section 169.73.

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

The question was taken on the passage of the bill and the roll was called. There were 119 yeas and 1 nay as follows:

Those who voted in the affirmative were:

Anderson, B.	Erickson	Knuth	Pauly	Skoglund
Anderson, G.	Evans	Kostohryz	Peterson	Solberg
Anderson, R.	Findlay	Krueger	Piepho	Sparby
Battaglia	Fjoslien	Kvam	Price	Stadum
Beard	Frerichs	Larsen	Quinn	Staten
Begich	Graba	Levi	Quist	Sviggum
Bennett	Greenfield	Long	Redalen	Swanson
Bergstrom	Gruenes	Ludeman	Reif	Thiede
Berkelman	Gustafson	Mann	Rice	Tunheim
Bishop	Gutknecht	McDonald	Riveness	Uphus
Brandl	Haukoos	Metzen	Rodovich	Valan
Brinkman	Heap	Minne	Rodriguez, C.	Valento
Burger	Heinitz	Munger	Rodriguez, F.	Vanasek
Carlson, D.	Himle	Murphy	Rose	Vellenga
Carlson, L.	Hoberg	Nelson, D.	St. Onge	Voss
Clark, J.	Hoffman	Nelson, K.	Schafer	Waltman
Clark, K.	Hokr	Norton	Scheid	Welch
Cohen	Jacobs	O'Connor	Schoenfeld	Welker
Coleman	Jensen	Ogren	Schreiber	Welle
Dempsey	Johnson	Olsen	Seaberg	Wigley
Dimler	Kahn	Omann	Segal	Wynia
Eken	Kalis	Onnen	Shaver	Zaffke
Elioff	Kelly	Osthoff	Shea	Speaker Sieben
Ellingson	Knickerbocker	Otis	Simoneau	

Those who voted in the negative were:

DenOuden

The bill was passed and its title agreed to.

Cohen was excused for the remainder of today's session.

S. F. No. 923 was reported to the House.

Anderson, B., moved to amend S. F. No. 923, the second engrossment, as follows:

Delete everything after the enacting clause and insert:

"Section 1. [134.49] [PROTECTION OF LIBRARY PROPERTY.]

Subdivision 1. [INJURY TO LIBRARY MATERIALS IN PUBLIC INSTITUTIONS.] A person who intentionally, and without permission from library personnel removes or damages any books, maps, pictures, manuscripts, films, or other property of any public library or library belonging to the state or to any political subdivision is guilty of a petty misdemeanor.

Subd. 2. [WILLFUL DETENTION OF LIBRARY MATERIALS.] A person who willfully detains a book, periodical, pamphlet, film, or other property belonging to any public library, or to a library belonging to the state or any political subdivision, for more than 30 days after notice in writing to return it, given after the expiration of the library's stated loan period for the material, is guilty of a petty misdemeanor. The written notice shall be sent by certified mail to the last known address of the person detaining the material. The notice shall state the type of material borrowed, the title of the material, the author's name, the library from which the material was borrowed, and the date by which the material was to have been returned to the library. The notice shall include a statement indicating that if the material is not returned within 30 days after the written notice the borrower will be in violation of this section.

Subd. 3. [FALSIFICATION OF IDENTIFICATION.]

Any person who willfully provides a false name, address, or other information to library personnel for the purpose of borrowing library materials or of obtaining borrowing privileges, from a public library or library belonging to the state or any political subdivision is guilty of a petty misdemeanor.

Subd. 4. [RESPONSIBILITY FOR PROSECUTION.]

The county attorney for county libraries, and the city attorney for city libraries shall prosecute violations of subdivisions 1 to 3. For regional libraries the county attorney for the county in which the headquarters of the regional public library system is located shall prosecute violations of subdivisions 1 to 3. For all other political subdivisions, either the city attorney or the county attorney shall prosecute violations of subdivisions 1 to 3."

Delete the title and insert:

"A bill for an act relating to libraries; defining misuse of library materials; prescribing a penalty; proposing new law coded in Minnesota Statutes, chapter 134."

The motion prevailed and the amendment was adopted.

Nelson, K., moved to amend S. F. No. 923, the second engrossment, as amended, as follows:

Page 1, after line 6, insert:

“Section 1. Minnesota Statutes 1982, section 466.01, subdivision 1, is amended to read:

Subdivision 1. [MUNICIPALITY.] For the purposes of sections 466.01 to 466.15, “municipality” means any city, whether organized under home rule charter or otherwise, any county, town, public authority, public corporation, special district, school district, however organized, county agricultural society organized pursuant to chapter 38, *public library, regional public library system, multi-county multi-type library system, or other political subdivision.*”

Renumber the remaining sections accordingly.

The motion prevailed and the amendment was adopted.

S. F. No. 923, A bill for an act relating to libraries; prohibiting the theft or damage of library materials; restricting tort liability for public libraries; prescribing a penalty; amending Minnesota Statutes 1982, section 466.01, subdivision 1; proposing new law coded in Minnesota Statutes, chapter 609.

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 55 yeas and 65 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Heap	Munger	Rodosovich	Skoglund
Anderson, R.	Heinitz	Murphy	Rodriguez, C.	Solberg
Berkelman	Himle	Nelson, D.	Rodriguez, F.	Stadum
Burger	Hoffman	Nelson, K.	Rose	Sviggum
Dempsey	Jennings	Olsen	Schafer	Tomlinson
Eken	Jensen	Pauly	Schreiber	Tunheim
Ellingson	Kvam	Piepho	Scaberg	Valan
Evans	Larsen	Piper	Segal	Welch
Forsythe	Levi	Quinn	Shaver	Wigley
Frerichs	Long	Redalen	Shea	Wynia
Gutknecht	Ludeman	Reif	Simoneau	Speaker Sieben

Those who voted in the negative were:

Anderson, G.	Begich	Bishop	Carlson, L.	DenOuden
Battaglia	Bennett	Brandl	Clark, K.	Dimler
Beard	Bergstrom	Carlson, D.	Coleman	Elioff

Erickson	Jacobs	McDonald	Otis	Staten
Findlay	Johnson	McEachern	Peterson	Swanson
Fjoslien	Kahn	Metzen	Price	Thiede
Graba	Kalis	Minne	Quist	Uphus
Greenfield	Kelly	Norton	Rice	Valento
Gruenes	Knickerbocker	O'Connor	Riveness	Vellenga
Gustafson	Knuth	Ogren	St. Onge	Voss
Haukoos	Kostohryz	Omann	Sarna	Waltman
Hoberg	Krueger	Onnen	Scheid	Welker
Hokr	Mann	Osthoff	Sparby	Zaffke

The bill, as amended, was not passed.

S. F. No. 1165, A bill for an act relating to motor vehicles; providing for registration, taxation, and special license plates for classic motorcycles; proposing new law coded in Minnesota Statutes, chapter 168.

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 3 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Erickson	Kelly	Osthoff	Simoneau
Anderson, G.	Evans	Knickerbocker	Otis	Skoglund
Anderson, R.	Findlay	Knuth	Pauly	Solberg
Battaglia	Fjoslien	Kostohryz	Peterson	Sparby
Beard	Forsythe	Krueger	Piepho	Stadum
Begich	Frerichs	Kvam	Piper	Staten
Bennett	Graba	Larsen	Price	Sviggum
Bergstrom	Greenfield	Long	Quinn	Swanson
Berkelman	Gruenes	Ludeman	Quist	Thiede
Bishop	Gustafson	Mann	Redalen	Tomlinson
Brandl	Gutknecht	Marsh	Reif	Tunheim
Brinkman	Haukoos	McDonald	Rice	Uphus
Burger	Heap	McEachern	Riveness	Valan
Carlson, D.	Heinitz	Minne	Rodosovich	Valento
Carlson, L.	Himle	Munger	Rodriguez, C.	Vanasek
Clark, J.	Hoberg	Murphy	Rodriguez, F.	Vellenga
Clark, K.	Hoffman	Nelson, D.	Voss	Waltman
Coleman	Hokr	Nelson, K.	St. Onge	Welch
Dempsey	Jacobs	Norton	Sarna	Welle
DenOuden	Jennings	O'Connor	Schafer	Wigley
Dimler	Jensen	Ogren	Scheid	Wynia
Eken	Johnson	Olsen	Schreiber	Zaffke
Elioff	Kahn	Omann	Segal	Speaker Sieben
Ellingson	Kalis	Onnen	Shaver	

Those who voted in the negative were:

Seaberg	Shea	Welker
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The bill was passed and its title agreed to.

Swanson was excused for the remainder of today's session.

The Speaker resumed the Chair.

Eken moved that the remaining bills on Special Orders for today be continued one day. The motion prevailed.

GENERAL ORDERS

Eken moved that the bills on General Orders for today be continued one day. The motion prevailed.

MOTIONS AND RESOLUTIONS

Sarna moved that S. F. No. 147, now on Technical General Orders, be re-referred to the Committee on Appropriations. The motion prevailed.

Eilingson moved that the name of Olsen be added as an author on H. F. No. 1021. The motion prevailed.

Blatz moved that the name of Himle be added as an author on H. F. No. 875. The motion prevailed.

Rodriguez, C., moved that the name of Marsh be added as an author on H. F. No. 1296. The motion prevailed.

Nelson, K., moved that the name of Clark, K., be added as an author on H. F. No. 1293. The motion prevailed.

ANNOUNCEMENTS BY THE SPEAKER

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 398:

Clawson, Greenfield and Blatz.

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 463:

Cohen, Riveness and Pauly.

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 639:

Piper, Voss and Waltman.

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 800:

Brandl, Swanson and Blatz.

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 892:

Berkelman, Metzen and Kvam.

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 1259:

Tomlinson, Brandl, Vanasek, Eken and Sieben.

ADJOURNMENT

Eken moved that when the House adjourns today it adjourn until 1:00 p.m., Wednesday, May 11, 1983. The motion prevailed.

Eken moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 1:00 p.m., Wednesday, May 11, 1983.

EDWARD A. BURDICK, Chief Clerk, House of Representatives

STATE OF MINNESOTA

SEVENTY-THIRD SESSION - 1983

FIFTY-FIRST DAY

SAINT PAUL, MINNESOTA, WEDNESDAY, MAY 11, 1983

The House of Representatives convened at 1:00 p.m. and was called to order by Ann Wynia, Speaker Pro Tem.

Prayer was offered by Reverend Glen V. Wiberg, Salem Covenant Church, New Brighton, Minnesota.

The roll was called and the following members were present:

Anderson, B.	Evans	Krueger	Peterson	Solberg
Anderson, G.	Findlay	Kvam	Piepho	Sparby
Anderson, R.	Fjoslien	Larsen	Piper	Stadum
Battaglia	Forsythe	Levi	Price	Staten
Beard	Frerichs	Long	Quian	Sviggum
Begich	Graba	Ludeman	Quist	Swanson
Bennett	Greenfield	Mann	Redalen	Thiede
Bergstrom	Gruenes	Marsh	Reif	Tomlinson
Berkelman	Gustafson	McDonald	Rice	Tunheim
Bishop	Gutknecht	McEachern	Riveness	Uphus
Brandl	Halberg	McKasy	Rodosovich	Valan
Brinkman	Haukoos	Metzen	Rodriguez, C.	Valento
Burger	Heap	Minne	Rodriguez, F.	Vanasek
Carlson, D.	Heinitz	Munger	Rose	Vellenga
Carlson, L.	Himle	Murphy	St. Onge	Voss
Clark, J.	Hoberg	Nelson, D.	Sarna	Waltman
Clark, K.	Hoffman	Nelson, K.	Schafer	Welch
Clawson	Hokr	Neuenschwander	Scheid	Welker
Cohen	Jacobs	Norton	Schoenfeld	Welle
Coleman	Jennings	O'Connor	Schreiber	Wenzel
Dempsey	Johnson	Ogren	Seaberg	Wigley
DenOuden	Kahn	Olsen	Segal	Wynia
Dimler	Kalis	Omann	Shaver	Zaffke
Eken	Kelly	Onnen	Shea	
Elioff	Knickerbocker	Osthoff	Sherman	
Ellingson	Knuth	Otis	Simoneau	
Erickson	Kostohryz	Pauly	Skoglund	

A quorum was present.

Sieben was excused until 2:15 p.m. Jensen was excused until 5:30 p.m. Blatz was excused until 5:50 p.m.

The Chief Clerk proceeded to read the Journal of the preceding day. Kelly 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. 1290, 1298, 652, 782, 1224, 1029, 77 and 233 and S. F. Nos. 1194, 1146, 1189, 634, 297 and 883 have been placed in the members' files.

S. F. No. 1146 and H. F. No. 1172, 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. 1189 be substituted for H. F. No. 1172 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1189 and H. F. No. 1090, 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. 1189 be substituted for H. F. No. 1090 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, 1983

The Honorable Harry A. Sieben, Jr.
Speaker of the House
276 State Office Building
St. Paul, Minnesota 55155

Dear Speaker Sieben:

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

H. F. No. 132, relating to state lands; authorizing the sale and conveyance of a certain tract of tax-forfeited land by Sherburne County.

H. F. No. 176, relating to financial institutions; providing that Small Business Administration guaranteed loans are collateral for public deposits.

H. F. No. 325, relating to real property; revising and clarifying certain provisions relating to the registration of real property.

H. F. No. 406, relating to civil actions; allowing prevailing parties to recover disbursements for process served by private process servers.

H. F. No. 508, relating to insurance; requiring all notices of cancellation of homeowner's policies to be written in language that is easy to read and understandable.

H. F. No. 511, relating to labor; creating an exemption to the minimum wage overtime provisions for silo builders.

H. F. No. 573, relating to retirement; Brooklyn Park volunteer firefighters relief association.

H. F. No. 631, relating to Hennepin County; authorizing employees to withdraw from participation in the Hennepin County supplemental retirement fund.

H. F. No. 656, relating to intoxicating liquor; allowing the city of Marble to permit on-sales of intoxicating liquor on a certain date.

H. F. No. 721, relating to the city of Babbitt; authorizing the establishment of detached banking facilities.

H. F. No. 741, relating to real estate; regulating the duties of a county recorder.

H. F. No. 764, relating to retirement; qualifying park district police for certain pension aids.

H. F. No. 801, relating to financial institutions; authorizing electronic financial terminals at locations other than retail locations established by persons other than retailers.

H. F. No. 804, relating to courts; providing for transcript fees.

H. F. No. 903, relating to insurance; removing obsolete statutory provisions regulating assessment benefit associations.

H. F. No. 953, relating to the city of Silver Bay; authorizing the establishment of detached banking facilities.

H. F. No. 959, relating to commerce; authorizing certain retailers of motor vehicle fuel to compute sales by the half-gallon; proposing new law coded in Minnesota Statutes 1982.

H. F. No. 1122, relating to the town of Flowing; permitting the town to conduct elections and town business in a nearby city.

Sincerely,

RUDY PERPICH
Governor

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

May 9, 1983

The Honorable Harry A. Sieben, Jr.
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 1983 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>Date Approved 1983</i>	<i>Date Filed 1983</i>
322		79	May 9	May 9
332		80	May 9	May 9
372		81	May 9	May 9
464		82	May 9	May 9
530		83	May 9	May 9
659		84	May 9	May 9
827		85	May 9	May 9

<i>S.F. No.</i>	<i>H.F. No.</i>	<i>Session Laws Chapter No.</i>	<i>Date Approved 1983</i>	<i>Date Filed 1983</i>
833		86	May 9	May 9
854		87	May 9	May 9
936		88	May 9	May 9
972		89	May 9	May 9
	132	90	May 9	May 9
	176	91	May 9	May 9
	325	92	May 9	May 9
	406	93	May 9	May 9
	508	94	May 9	May 9
	511	95	May 9	May 9
	573	96	May 9	May 9
	656	97	May 9	May 9
	721	98	May 9	May 9
	741	99	May 9	May 9
	631	100	May 9	May 9
	764	101	May 9	May 9
	801	102	May 9	May 9
	804	103	May 9	May 9
	903	104	May 9	May 9
	953	105	May 9	May 9
	959	106	May 9	May 9
	1122	107	May 9	May 9

Sincerely,

JOAN ANDERSON GROWE
Secretary of State

STATE OF MINNESOTA
OFFICE OF THE GOVERNOR
SAINT PAUL 55155

May 10, 1983

The Honorable Harry A. Sieben, Jr.
Speaker of the House
276 State Office Building
St. Paul, Minnesota 55155

Dear Speaker Sieben:

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

H. F. No. 26, relating to commerce; consumer protection; requiring the repair, refund, or replacement of new motor vehicles under certain circumstances; proposing new law coded in Minnesota Statutes, chapter 325F.

Sincerely,

RUDY PERPICH
Governor

STATE OF MINNESOTA
OFFICE OF THE GOVERNOR
SAINT PAUL 55155

May 10, 1983

The Honorable Harry A. Sieben, Jr.
Speaker of the House
276 State Office Building
St. Paul, Minnesota 55155

Dear Speaker Sieben:

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

H. F. No. 602, relating to commerce; providing for a non-possessory mechanics' lien under certain circumstances; proposing new law coded in Minnesota Statutes, chapter 514.

H. F. No. 697, relating to the city of St. Paul; providing for facilities, bonding, powers, and duties of the St. Paul port authority.

Sincerely,

RUDY PERPICH
Governor

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

May 10, 1983

The Honorable Harry A. Sieben, Jr.
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 1983 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>Date Approved 1983</i>	<i>Date Filed 1983</i>
	26	108	May 10	May 10
	602	109	May 10	May 10
	697	110	May 10	May 10
148		111	May 10	May 10
246		112	May 10	May 10
323		113	May 10	May 10
358		114	May 10	May 10
611		115	May 10	May 10
653		116	May 10	May 10
673		117	May 10	May 10
721		118	May 10	May 10

S.F. No.	H.F. No.	Session Laws Chapter No.	Date Approved 1983	Date Filed 1983
808		119	May 10	May 10
1198		120	May 10	May 10

Sincerely,

JOAN ANDERSON GROWE
Secretary of State

REPORTS OF STANDING COMMITTEES

Rice from the Committee on Appropriations to which was referred:

H. F. No. 257, A bill for an act relating to motor vehicles; providing for special license plates for certain motor vehicles owned by certain members of the Minnesota national guard; imposing fees; appropriating money; amending Minnesota Statutes 1982, section 168.12, by adding a subdivision.

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

The report was adopted.

Rice from the Committee on Appropriations to which was referred:

H. F. No. 481, A bill for an act relating to agriculture; adopting recommended federal rules relating to milk quality for manufacturing purposes; providing for phase-in of inspections and compliance; establishing a loan guarantee program; appropriating money; proposing new law coded in Minnesota Statutes, chapter 32.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [32.415] [MILK FOR MANUFACTURING;
QUALITY STANDARDS.]

In order to provide uniform quality standards, producers of milk used for manufacturing purposes shall conform to the standards contained in Subparts D and F of the United States Department of Agriculture Consumer and Marketing Service Recommended Requirements for Milk for Manufacturing Pur-

poses and its Production and Processing, Vol. 37 Federal Register, No. 68, Part II, April 7, 1972, with the following exceptions:

(a) *Inspections of producers shall begin not later than January 1, 1985;*

(b) *Producers shall comply with the standards not later than July 1, 1986, except as otherwise allowed under the standards; and*

(c) *The commissioner shall develop methods by which producers can comply with the standards without violation of religious beliefs. The commissioner may adopt rules, including temporary rules, for the purpose of this clause.*

The commissioner of agriculture shall perform or contract for the performance of the inspections necessary to implement this section or shall certify dairy industry personnel to perform the inspections.

The commissioner and other employees of the department shall make every reasonable effort to assist producers in achieving the milk quality standards at minimum cost and to use the experience and expertise of the University of Minnesota and the agricultural extension service to assist producers in achieving the milk quality standards in the most cost-effective manner.

The commissioner of agriculture shall consult with producers, processors, and others involved in the dairy industry in order to prepare for the implementation of this section including development of informational and educational materials, meetings, and other methods of informing producers about the implementation of standards under this section.

Sec. 2. [32.416] [LOAN GUARANTEE PROGRAM.]

Subdivision 1. [PRODUCER ASSISTANCE.] The commissioner shall administer a loan guarantee and payment adjustment program for producers to assist in financing any real property improvements required by section 1.

Subd. 2 [DEFINITIONS.] For the purposes of sections 2 and 3, "lender" has the meaning given in section 41.52, subdivision 7, except that "lender" also includes creameries, dairy cooperatives, and other milk purchasing businesses which finance the improvements required by section 1, "commissioner" means the commissioner of agriculture, and "applicant" means a dairy farmer storing milk in cans who is required to make any real property improvements required by section 1. An applicant must have resided on a farm receiving homestead credit under section 273.13 prior to January 1, 1983. No applicant who purchases a

farm after July 1, 1983, is eligible for the loan guarantee program.

Subd. 3. [LOANS.] *The commissioner may guarantee loans not exceeding \$2,500 in principal amount for a term not to exceed five years, for the purpose of making any real property improvements required by section 1. The guarantee shall obligate the state of Minnesota to pay the lender 90 percent of the sums due and payable in the event of default.*

Subd. 4. [ELIGIBILITY, LIMITATION.] *No applicant who is otherwise eligible shall receive the benefit of the loan guarantee or payment adjustment provided in this section unless it is demonstrated that credit for the same purpose is unavailable at reasonable interest rates from a commercial lender. For purposes of this subdivision, written rejection of a loan application by two lenders, as defined in subdivision 2, or the availability of a loan only at interest rates determined by rule or temporary rule pursuant to subdivision 7 to be excessive, shall be sufficient to show that credit is unavailable from commercial lenders.*

Subd. 5. [PAYMENT ADJUSTMENT.] *At the time of the approval of the loan guarantee, the commissioner shall provide to the lender an amount equal to 12 percent of the guaranteed loan, and the lender shall use this payment to reduce the number or size of the payments otherwise required by the terms of the loan.*

Subd. 6. [SALE OF PROPERTY.] *Any applicant who sells or conveys any property securing a loan guaranteed by the commissioner shall immediately retire the balance owed the lender.*

Subd. 7. [RULES; ELIGIBILITY.] *The commissioner shall adopt rules to implement the loan guarantee and payment adjustment program. The rules shall include:*

(a) *Procedures for approving loan guarantees;*

(b) *Eligibility requirements for applicants which assure that approval of a loan guarantee is based on financial need and credit worthiness of the applicant; and*

(c) *Required loan guarantee terms which provide adequate security for recovery by the state of amounts paid to lenders on default of any guaranteed loan, and repayment of a guaranteed loan by the applicant through assignment of a portion of any payment received for milk produced by the applicant.*

The rules may be adopted as temporary rules as provided in chapter 14. The rules shall be effective July 1, 1984, and shall expire on July 1, 1985. Loan guarantees and payment adjustments may be granted only from July 1, 1984, to July 1, 1985.

Sec. 3. [32.417] [APPROPRIATIONS.]

Subdivision 1. [DEFAULTS.] The sum of all outstanding loans guaranteed by the commissioner at any time shall not exceed \$2,500,000. In the event of a default on a guaranteed loan, the commissioner may submit a request to the legislative advisory commission for sufficient funds to pay the lender the amount required for the guaranteed loan.

Subd. 2. [PAYMENT ADJUSTMENTS.] There is appropriated from the general fund to the commissioner the sum of \$300,000 for fiscal year 1985, to pay the payment adjustment under section 2, subdivision 4.

Sec. 4. [APPROPRIATION.]

There is appropriated from the general fund to the commissioner of agriculture the sum of \$30,800 for the year ending June 30, 1984, for administrative expenses incurred to implement the provisions of sections 1 to 3. The approved complement of the department is increased by one full-time position."

With the recommendation that when so amended the bill pass.

The report was adopted.

Tomlinson from the Committee on Taxes to which was referred:

H. F. No. 600, A bill for an act relating to state income tax refunds; requiring proper notice before the state can collect debts by taking tax refunds; amending Minnesota Statutes 1982, section 270A.08, subdivisions 1 and 2.

Reported the same back with the following amendments:

Page 1, line 25, after the period insert "*The notice shall clearly state whether or not the debt is based on a court order or judgment.*"

Page 2, line 8, delete "*The debtor shall have the burden of*"

Page 2, delete lines 9 and 10

With the recommendation that when so amended the bill pass.

The report was adopted.

Tomlinson from the Committee on Taxes to which was referred:

H. F. No. 751, A bill for an act relating to energy; simplifying hydropower lease procedures; amending Minnesota Statutes 1982, sections 105.482, subdivisions 8 and 9; 272.02, by adding a subdivision; 273.19, by adding a subdivision; and 295.44, subdivision 1; repealing Minnesota Statutes 1982, section 295.44, subdivisions 2, 3, and 4.

Reported the same back with the following amendments:

Page 2, line 6, delete "*shall*" and insert "*may*"

Page 2, line 34, delete "*shall*" and insert "*may*"

Page 3, line 6, delete "*shall*" and insert "*may*"

Page 3, line 16, strike "*shall*" and insert "*may*"

With the recommendation that when so amended the bill pass.

The report was adopted.

Tomlinson from the Committee on Taxes to which was referred:

H. F. No. 921, A bill for an act relating to taxation; motor vehicle registration tax; motor vehicle excise tax; providing for refund of tax on certain vehicles that are replaced or the purchase price refunded; appropriating money; proposing new law coded in Minnesota Statutes, chapters 168 and 297B.

Reported the same back with the following amendments:

Page 1, line 12, delete "*new*"

Page 1, line 12, delete "*state law to refund the*" and insert "*1983 H.F. No. 26, section 1, subdivision 3,*"

Page 1, delete line 13

Page 1, line 14, delete "*requires the manufacturer*"

Page 2, line 6, delete "*new*"

Page 2, delete line 7

Page 2, line 8, delete "*purchaser and the law requires the manufacturer*" and insert "*1983 H. F. No. 26, section 1, subdivision 3,*"

With the recommendation that when so amended the bill pass.

The report was adopted.

Rice from the Committee on Appropriations to which was referred:

S. F. No. 72, A bill for an act relating to occupations and professions; authorizing the commissioner of public safety to provide administrative support services to the board of peace officer standards and training; amending Minnesota Statutes 1982, sections 214.04, subdivision 1; 626.843, subdivision 1; 626.845, subdivision 1; and 626.849.

Reported the same back with the following amendments:

Page 6, line 17, delete "*July 1, 1983*" and insert "*the day following final enactment*"

With the recommendation that when so amended the bill pass.

The report was adopted.

Rice from the Committee on Appropriations to which was referred:

S. F. No. 601, A bill for an act relating to housing; modifying requirements that housing programs for urban Indians in the city of Duluth combine appropriated money with funds from other sources whenever possible; amending Minnesota Statutes 1982, section 462A.07, subdivision 15; and Laws 1978, chapter 670, section 3, subdivision 3.

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

The report was adopted.

Rice from the Committee on Appropriations to which was referred:

S. F. No. 606, A bill for an act relating to retirement; public employees funds generally; increasing interest rates paid on refunds and rates required for repayment of refunds and other payments to the funds; amending Minnesota Statutes 1982, sections 3A.03, subdivision 2; 352.029, subdivision 4; 352.04, subdivision 8; 352.12, subdivision 1; 352.22, subdivision 2; 352.23; 352.27; 352.271; 352B.11, subdivisions 1, 3, and 4; 352C.09, subdivision 2; 353.01, subdivision 16; 353.27, subdivision 12; 353.28, subdivision 5; 353.32, subdivision 1; 353.34, subdivision 2; 353.35; 353.36, subdivision 2; 354.47, subdivision 1; 354.49, subdivision 2; 354.50, subdivision 2; 354.51, subdivisions 4 and 5; 354.52, subdivision 4; 354.53, subdivision 1; 354.532, subdivision 3;

354A.093; 354A.32; 354A.35, subdivisions 1 and 2; 354A.37, subdivisions 3 and 4; 354A.38, subdivision 3; 422A.09, subdivision 3; 422A.11, subdivision 2; 422A.16, subdivision 5; 422A.22, subdivisions 1, 4 and 5; 422A.221, subdivision 2; and 490.124, subdivision 12; repealing Minnesota Statutes 1982, section 354.49, subdivision 3.

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

The report was adopted.

Tomlinson from the Committee on Taxes to which was referred:

S. F. No. 984, A bill for an act relating to taxation; authorizing cities to impose taxes on the gross receipts from the furnishing of certain lodging; requiring these funds to be dedicated to tourism marketing and promotion; proposing new law coded in Minnesota Statutes, chapter 477A.

Reported the same back with the following amendments:

Page 1, line 20, after the period insert "*None of the proceeds of this tax may be used for advertisements that do not promote the affected statutory or home-ruled city or its region.*"

Page 2, line 3, after the period insert "*None of the proceeds of this tax may be used for advertisements that do not promote the affected statutory or home-ruled city or its region.*"

With the recommendation that when so amended the bill pass.

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. Nos. 1290, 1298, 257, 481, 600, 751 and 921 were read for the second time.

SECOND READING OF SENATE BILLS

S. F. Nos. 1146, 1189, 72, 601, 606 and 984 were read for the second time.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House Files were introduced:

Dempsey and Blatz introduced:

H. F. No. 1299, A bill for an act relating to human rights; clarifying the meaning of a change in the time for filing suit in the district court.

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

Anderson, B.; Erickson; Graba; Redalen and Neuenschwander introduced:

H. F. No. 1300, A bill for an act relating to state government; providing deadlines for job applications for state jobs; proposing new law coded in Minnesota Statutes, chapter 43A.

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

Simoneau introduced:

H. F. No. 1301, A bill for an act relating to taxation; establishing an income tax checkoff for the purpose of providing funds for organ transplants; proposing new law coded in Minnesota Statutes, chapter 290.

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

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 Senate Files, herewith transmitted:

S. F. Nos. 482 and 532.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

S. F. No. 883.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

S. F. No. 1233.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

S. F. No. 1011.

PATRICK E. FLAHAVEN, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 482. A bill for an act relating to taxation; providing for changes in the laws relating to delinquent real estate taxes, real estate tax judgment sales and redemptions and tax forfeited land sales; amending Minnesota Statutes 1982, sections 276.04; 279.05; 279.06; 279.14; 279.15; 279.16; 279.20; 280.01; 280.07; 280.10; 280.38; 280.385, subdivision 1; 281.01; 281.02; 281.03; 281.05; 281.17; 281.18; 281.23; 281.25; 281.34; 281.39; 282.01, subdivision 5; 282.039; 282.17; 282.171; 282.222, subdivisions 4 and 5; 282.301; and 559.21, by adding a subdivision; proposing new law coded in Minnesota Statutes, chapters 276; 279; 280; and 282; repealing Minnesota Statutes 1982, sections 279.24; and 281.36.

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

S. F. No. 532. A bill for an act relating to taxation; providing for the valuation of limited equity cooperative apartments; amending Minnesota Statutes 1982, section 273.11, subdivision 1, and by adding a subdivision.

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

S. F. No. 883. A bill for an act relating to transportation; modifying the definition of truck-tractor to include the power unit of automobile carriers; adjusting the motor vehicle registration tax on certain trailers; requiring proof of payment of the federal heavy use tax on heavy trucks; increasing the maximum allowable width on vehicles from 8 to 8-1/2 feet; allowing special permits for the transport of manufactured home frames; modify-

ing vehicle length requirements to allow longer semitrailers and vehicle combinations; modifying the gross weight seasonal increase to include all axle combinations; modifying the distance a peace officer may require a vehicle to travel to a scale and defining a suitable place for unloading an overweight vehicle; modifying the civil penalty for overweight vehicles; increasing width requirement on loads of baled hay before flashing amber lights are required; requiring the commissioner to comply with criteria for the addition of federal qualifying highways; amending Minnesota Statutes 1982, sections 168.011, subdivision 12; 168.013, subdivision 1d, and by adding a subdivision; 169.01, subdivision 7; 169.80, subdivision 2; 169.81, subdivisions 2 and 3; 169.825, subdivision 11; 169.85; 169.86, by adding a subdivision; 169.862; and 169.871, subdivision 1, and by adding a subdivision; proposing new law coded in Minnesota Statutes, chapter 169; repealing Minnesota Statutes 1982, sections 169.80, subdivision 2a; and 169.81, subdivisions 3a, 3b, and 7.

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, Anderson, G., moved that the rule therein be suspended and an urgency be declared so that S. F. No. 883 be given its second and third readings and be placed upon its final passage. The motion prevailed.

Anderson, G., moved that the rules of the House be so far suspended that S. F. No. 883 be given its second and third reading and be placed upon its final passage. The motion prevailed.

S. F. No. 883 was read for the second time.

S. F. No. 883, A bill for an act relating to transportation; modifying the definition of truck-tractor to include the power unit of automobile carriers; adjusting the motor vehicle registration tax on certain trailers; requiring proof of payment of the federal heavy use tax on heavy trucks; increasing the maximum allowable width on vehicles from 8 to 8-1/2 feet; allowing special permits for the transport of manufactured home frames; modifying vehicle length requirements to allow longer semitrailers and vehicle combinations; modifying the gross weight seasonal increase to include all axle combinations; modifying the distance a peace officer may require a vehicle to travel to a scale and defining a suitable place for unloading an overweight vehicle; modifying the civil penalty for overweight vehicles; increasing width requirement on loads of baled hay before flashing amber lights are required; requiring the commissioner to comply with criteria for the addition of federal qualifying highways; amending Minnesota Statutes 1982, sections 168.011, subdivision 12; 168.013, subdivision 1d, and by adding a subdivision; 169.01,

subdivision 7; 169.80, subdivision 2; 169.81, subdivisions 2 and 3; 169.825, subdivision 11; 169.85; 169.86, by adding a subdivision; 169.862; and 169.871, subdivision 1, and by adding a subdivision; proposing new law coded in Minnesota Statutes, chapter 169; repealing Minnesota Statutes 1982, sections 169.80, subdivision 2a; and 169.81, subdivisions 3a, 3b, and 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 116 yeas and 5 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Evans	Kvam	Pauly	Solberg
Anderson, G.	Findlay	Larsen	Peterson	Sparby
Battaglia	Forsythe	Levi	Piepho	Stadum
Beard	Frerichs	Long	Piper	Staten
Begich	Graba	Ludeman	Price	Sviggum
Berkelman	Greenfield	Mann	Quinn	Swanson
Bishop	Gruenes	Marsh	Quist	Thiede
Brandl	Gustafson	McDonald	Redalen	Tomlinson
Brinkman	Gutknecht	McEachern	Reif	Tunheim
Burger	Halberg	McKasy	Rice	Valan
Carlson, D.	Haukoos	Metzen	Riveness	Valento
Carlson, L.	Heap	Minue	Rodosovich	Vanasek
Clark, J.	Heinitz	Munger	Rose	Vellenga
Clark, K.	Himle	Murphy	St. Onge	Waltman
Clawson	Hoberg	Nelson, D.	Sarna	Welch
Cohen	Hoffman	Nelson, K.	Schafer	Welker
Coleman	Hokr	Neuenschwander	Schoenfeld	Welle
Dempsey	Jennings	Norton	Schreiber	Wenzel
DenOuden	Johnson	O'Connor	Segal	Wigley
Dimler	Kalis	Ogren	Shaver	Wynia
Eken	Kelly	Olson	Shea	
Elioff	Knickerbocker	Onnen	Sherman	
Ellingson	Knuth	Osthoff	Simoneau	
Erickson	Krueger	Otis	Skoglund	

Those who voted in the negative were:

Fjoslien	Kahn	Rodriguez, C.	Uphus	Voss
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The bill was passed and its title agreed to.

FIRST READING OF SENATE BILLS, Continued

S. F. No. 1233, A bill for an act relating to the organization and operation of state government; appropriating money for the department of transportation and for other agencies with certain conditions; fixing and limiting fees; providing for adjustments of responsibilities of the department of agriculture for soil and water conservation; allowing limited donation of accumulated vacation time by certain law enforcement employees to their union representative; providing for deposit of proceeds of assessment by the assigned risk review board; regulating financial assistance to public transit systems; limiting certain hearing functions of the transportation regulation board;

transferring certain rules authority to the transportation regulation board; reducing membership and establishing terms of members of the public utilities commission; defining enforcement powers of the hazardous material specialists and transportation representatives of the department of transportation; defining terms and requirements for building movers; crediting certain receipts of the commissioner of transportation to the trunk highway fund; providing for certain costs to be paid from the trunk highway fund; authorizing the commissioner of transportation to enforce certain carrier regulations; extending retirement coverage of certain employees of the department of transportation from age 60 to age 62 and providing for disability benefits; transferring and renaming the air transportation revolving account; instructing the commissioner of transportation to charge users of certain air transportation services for certain costs; limiting fare increases by the metropolitan transit commission; basing taxing for the metropolitan transit taxing district upon the level of transit service provided; providing for the disposition of proceeds of certain trunk highway bonds; reducing the amount appropriated from the bridge construction account in the trunk highway fund to the department of transportation; amending Minnesota Statutes 1982, sections 12.14; 17A.04, subdivision 5; 18.51, subdivision 2; 18.52, subdivision 5; 18.53; 18.54; 18A.22, subdivisions 5 and 7; 18A.26; 27.041, subdivision 2; 28A.08; 28A.09; 32.075; 32.59; 34.02; 34.05, subdivision 1; 40.03, subdivision 2, as amended; 43A.04, by adding a subdivision; 79.251, subdivision 1; 155A.07, subdivision 7; 155A.08, subdivision 5; 169.81, subdivision 3b; 169.86, subdivision 5; 169.862; 170.23; 171.26; 171.29, subdivision 2; 173.07, subdivision 2; 173.08, subdivision 1; 173.13, subdivision 4; 174.24, subdivision 3; 174A.02, subdivision 2; 174A.06; 216A.03, subdivision 1; 221.061; 221.071; 221.131; 221.221; 221.296, subdivision 5; 221.64; 221.81; 296.17, subdivisions 10, 17, and 20; 296.25, subdivision 1; 299C.46, subdivision 3; 352.86, subdivisions 1, 2, and by adding a subdivision; 360.018, subdivision 1; 360.63; 473.408, subdivision 3 and by adding a subdivision; 473.446, subdivision 1, as amended; 500.221, subdivision 4; 626.88, subdivision 2; Laws 1975, chapter 235, section 2; Laws 1977, chapter 277, sections 1 and 3, subdivision 1; and Laws 1983, chapter 17, section 12; proposing new law coded in Minnesota Statutes, chapters 10A; 221; 299C; and 360; repealing Minnesota Statutes 1982, sections 24.24; 24.25; 24.26; 24.27; 24.28; 24.29; 24.30; 24.31; 160.26, subdivision 3; 174.265; and 174A.07.

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

S. F. No. 1011, A bill for an act relating to unemployment compensation; providing for conformity with federal law; imposing an annual surcharge on employers' calendar year contributions for the purpose of repayment of interest charged on federal loans; creating the emergency interest repayment fund;

adding a category to the extension of base period in the definition of base period; updating the law to reflect current practice; making technical changes; removing obsolete language; regulating administrative practices; providing for the effect of back pay awards; regulating benefit amounts, contributions, and benefit eligibility; requiring a report to the legislature on shared work benefits; appropriating money; amending Minnesota Statutes 1982, sections 268.04, subdivisions 2, 12, 17, 25, 26, 29, and by adding a subdivision; 268.05, subdivision 5; 268.06, subdivisions 1, 2, 3a, 5, 20, 28, and 29; 268.07, subdivisions 2 and 3; 268.071, subdivision 3; 268.08, subdivisions 1, 3, 6, and by adding subdivisions; 268.09, subdivisions 1 and 2; 268.10, subdivisions 2, 3, 4, 5, 6, 7, and 9; 268.11, subdivisions 2 and 3; 268.12, subdivisions 8 and 9; 268.16, subdivision 2; 268.161, subdivisions 1, 4, 5, 7, and 8; 268.18, subdivisions 1 and 2; proposing new law coded in Minnesota Statutes, chapter 268; repealing Minnesota Statutes 1982, section 268.06, subdivision 32.

The bill was read for the first time.

Riveness moved that S. F. No. 1011 and H. F. No. 1190, now on Special Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

CONSIDERATION UNDER RULE 1.10

Pursuant to rule 1.10, Rice requested immediate consideration of H. F. Nos. 233 and 652; and S. F. No. 634.

H. F. No. 233, A bill for an act relating to retirement; providing post retirement annuity or benefit increases for certain retired or disabled public employees.

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

The question was taken on the passage of the bill and the roll was called. There were 123 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Clark, K.	Graba	Kalis	Minne
Anderson, G.	Clawson	Greenfield	Kelly	Munger
Anderson, R.	Cohen	Gruenes	Knickerbocker	Murphy
Battaglia	Coleman	Gustafson	Knuth	Nelson, D.
Beard	Dempsey	Gutknecht	Kostohryz	Nelson, K.
Begich	DenOuden	Halberg	Krueger	Neuenschwander
Bennett	Dimler	Haukoos	Kvam	Norton
Bergstrom	Eken	Heap	Larsen	O'Connor
Berkelman	Elioff	Heinitz	Long	Ogren
Bishop	Ellingson	Himle	Ludeman	Olsen
Brandl	Erickson	Hoberg	Mann	Omann
Brinkman	Evans	Hoffman	Marsh	Onnen
Burger	Findlay	Hokr	McDonald	Osthoff
Carlson, D.	Fjoslien	Jennings	McEachern	Otis
Carlson, L.	Forsythe	Johnson	McKasy	Pauly
Clark, J.	Frerichs	Kahn	Metzen	Peterson

Piepho	Rodosovich	Shaver	Swanson	Voss
Piper	Rodriguez, C.	Shea	Thiede	Waltman
Price	Rodriguez, F.	Sherman	Tomlinson	Welch
Quinn	Rose	Simoneau	Tunheim	Welle
Quist	St. Onge	Skoglund	Uphus	Wenzel
Redalen	Sarna	Sparby	Valan	Wigley
Reif	Schoenfeld	Stadum	Valento	Wynia
Rice	Schreiber	Staten	Vanasek	
Riveness	Segal	Sviggum	Vellenga	

The bill was passed and its title agreed to.

H. F. No. 652, A bill for an act relating to retirement; public plans generally; providing for the fiduciary obligation of trustees; complying with federal limits on annual benefits; providing that moneys of public pension plans are for the exclusive benefit of eligible employees and their beneficiaries; amending Minnesota Statutes 1982, sections 356.61; 354A.021, by adding a subdivision; proposing new law coded in Minnesota Statutes, chapter 356.

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:

Anderson, B.	Erickson	Knuth	Osthoff	Sherman
Anderson, C.	Evans	Kostohryz	Otis	Simoneau
Anderson, R.	Findlay	Krueger	Pauly	Skoglund
Battaglia	Fjoslien	Kvam	Peterson	Solberg
Beard	Forsythe	Larsen	Piepho	Sparby
Begich	Frerichs	Levi	Piper	Stadum
Bennett	Graba	Long	Price	Staten
Bergstrom	Greenfield	Ludeman	Quinn	Sviggum
Berkelman	Gruenes	Mann	Quist	Swanson
Bishop	Gustafson	Marsh	Redalen	Thiede
Brandl	Gutknecht	McDonald	Reif	Tomlinson
Brinkman	Halberg	McEachern	Rice	Tunheim
Burger	Haukoos	McKasy	Riveness	Uphus
Carlson, D.	Heap	Metzen	Rodosovich	Valan
Carlson, L.	Heinitz	Minne	Rodriguez, C.	Valento
Clark, J.	Himle	Munger	Rodriguez, F.	Vanasek
Clark, K.	Hoberg	Murphy	Rose	Vellenga
Clawson	Hoffman	Nelson, D.	St. Onge	Voss
Cohen	Hokr	Nelson, K.	Sarna	Waltman
Coleman	Jacobs	Neuenschwander	Schafer	Welch
Dempsey	Jennings	Norton	Scheid	Welker
DenOuden	Johnson	O'Connor	Schoenfeld	Welle
Dimler	Kahn	Ogren	Schreiber	Wenzel
Eken	Kalis	Olsen	Segal	Wigley
Elioff	Kelly	Omann	Shaver	Wynia
Ellingson	Knickerbocker	Onnen	Shea	

The bill was passed and its title agreed to.

The Speaker assumed the Chair.

S. F. No. 634 was reported to the House.

DenOuden moved to amend S. F. No. 634, the unofficial engrossment, as follows:

Page 3, line 19, delete "\$2.50" insert "\$1.75"

A roll call was requested and properly seconded.

Burger moved to amend the DenOuden amendment to S. F. No. 634, the unofficial engrossment, as follows:

In the DenOuden amendment delete "\$1.75" insert "\$2.00"

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

The question recurred on the DenOuden amendment and the roll was called. There were 33 yeas and 86 nays as follows:

Those who voted in the affirmative were:

Bishop	Frerichs	Johnson	Rose	Vanasek
Burger	Gruenes	Kvam	Schafer	Voss
Carlson, D.	Gutknecht	Ludeman	Seaberg	Weltman
DenOuden	Haukoos	Olsen	Shaver	Welker
Erickson	Heinitz	Onnen	Sherman	Zaffke
Findlay	Hokr	Piepho	Swiggum	
Fjoslien	Jennings	Quist	Swanson	

Those who voted in the negative were:

Anderson, G.	Ellingson	Mann	Piper	Solberg
Anderson, R.	Evans	Marsh	Price	Sparby
Battaglia	Forsythe	McEachern	Quian	Staten
Beard	Graba	McKasy	Redalen	Tomlinson
Begich	Greenfield	Metzen	Reif	Tunheim
Bennett	Gustafson	Minne	Rice	Uphus
Berkelman	Halberg	Munger	Rivness	Valan
Brandl	Himle	Murphy	Rodosovich	Vellenga
Brinkman	Hoffman	Nelson, D.	Rodriguez, C.	Welch
Carlson, L.	Kahn	Nelson, K.	Rodriguez, F.	Welle
Clark, J.	Kalis	Ncuenschwander	St. Onge	Wenzel
Clawson	Kelly	Norton	Sarna	Wigley
Cohen	Knickerbocker	O'Connor	Schoenfeld	Wynia
Coleman	Knuth	Ogren	Schreiber	Speaker Sieben
Dempsey	Kostohryz	Osthoff	Segal	
Dimler	Krueger	Otis	Shea	
Eken	Larsen	Pauly	Simoneau	
Eloff	Long	Peterson	Skoglund	

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

Ludeman moved to amend S. F. No. 634, the unofficial engrossment, as follows:

Page 6, line 13, delete lines 13 to 36

Page 7, delete lines 1 to 30

A roll call was requested and properly seconded.

The Speaker called Wynia to the Chair.

Reif was excused between the hours of 2:15 p.m. until 3:15 p.m.

The question was taken on the amendment and the roll was called. There were 16 yeas and 101 nays as follows:

Those who voted in the affirmative were:

DenOuden	Haukoos	McKasy	Seaberg	Welker
Dimler	Heinitz	Ornen	Voss	Zaffke
Frerichs	Jennings	Quist		
Cutknecht	Ludeman	Schafer		

Those who voted in the negative were:

Anderson, B.	Ellingson	Larsen	Piper	Staten
Anderson, G.	Evans	Long	Price	Swanson
Anderson, R.	Findlay	Mann	Quinn	Thiede
Battaglia	Forsythe	Marsh	Redalen	Tomlinson
Beard	Graba	McEachern	Rice	Tunheim
Begich	Greenfield	Metzen	Riveness	Uphus
Bennett	Gruenes	Minne	Rodosovich	Valan
Bergstrom	Gustafson	Munger	Rodriguez, C.	Valento
Berkeiman	Halberg	Murphy	Rodriguez, F.	Vanasek
Brandl	Heap	Nelson, D.	St. Onge	Vellenga
Brinkman	Hoffman	Nelson, K.	Sarna	Waltman
Burger	Jacobs	Neuenschwander	Schoenfeld	Welch
Carlson, D.	Johnson	Norton	Schreiber	Welle
Carlson, L.	Kahn	O'Conner	Segal	Wenzel
Clark, J.	Kalis	Ogren	Shaver	Wigley
Clawson	Kelly	Olsen	Shea	Wynia
Cohen	Knickerbocker	Omann	Sherman	Speaker Sieben
Coleman	Knuth	Osthoff	Simoneau	
Dempsey	Kostohryz	Otis	Skoglund	
Eken	Krueger	Peterson	Sparby	
Elioff	Kvam	Piepho	Stadum	

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

The Speaker resumed the Chair.

Redalen moved to amend S. F. No. 634, the unofficial engrossment, as follows:

Page 4, delete lines 1 to 5 and insert:

“(c) Upgrading of fish propagation capabilities in order to improve the efficiency of fish production, expansion of wall-eyed pike production from waters subject to winter kill for

stocking in more suitable waters, introduction of new species where deemed biologically appropriate by the commissioner, and purchase of fish from private hatcheries for stocking purposes."

The motion prevailed and the amendment was adopted.

Anderson, R., moved to amend S. F. No. 634, the unofficial engrossment, as amended, as follows:

Page 4, after line 30, insert:

"Subd 3. Neither the commissioner nor his agents may sell fishing licenses outside of the state of Minnesota."

A roll call was requested and properly seconded.

The question was taken on the amendment and the roll was called. There were 40 yeas and 82 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Frerichs	Johnson	Onnen	Solberg
Carlson, D.	Haukoos	Knickerbocker	Pauly	Stadum
Cohen	Heap	Long	Piepho	Sviggum
Dempsey	Heinitz	Ludeman	Quist	Uppus
Erickson	Himle	McDonald	Schafer	Valan
Evans	Hoberg	McKasy	Schoenfeld	Voss
Findlay	Hokr	Olsen	Seaberg	Waitman
Fjoslien	Jennings	Omann	Sherman	Welker

Those who voted in the negative were:

Anderson, B.	Eken	Larsen	Piper	Staten
Anderson, G.	Elioff	Mann	Price	Swanson
Battaglia	Ellingson	Marsh	Quinn	Thiede
Beard	Forsythe	McEachern	Redalen	Tomlinson
Begich	Greenfield	Metzen	Rice	Tunheim
Bennett	Gruenes	Minne	Riveness	Valento
Bergstrom	Gustafson	Munger	Rodosovich	Vellenga
Berkelman	Halberg	Murphy	Rodriguez, C.	Welch
Bishop	Hoffman	Nelson, D.	Rodriguez, F.	Welle
Brandl	Jacobs	Nelson, K.	Rose	Wenzel
Brinkman	Kahn	Neuenschwander	St. Onge	Wigley
Carlson, L.	Kalis	Norton	Sarna	Wynia
Clark, J.	Kelly	O'Connor	Segal	Zaifke
Clark, K.	Knuth	Ogren	Shea	Speaker Sieben
Clawson	Kostohryz	Osthoff	Simoneau	
Coleman	Krueger	Otis	Skoglund	
DenOuden	Kvam	Peterson	Sparby	

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

DenOuden moved to amend S. F. No. 634, the unofficial engrossment, as amended, as follows:

Page 3, line 19, delete "\$2.50" insert "\$2.25"

Page 5, line 1, delete "\$5" insert "\$4.25"

Page 5, line 2, delete "\$15" insert "\$14.25"

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

Carlson, D., moved to amend S. F. No. 634, the unofficial engrossment, as amended, as follows:

Page 4, line 10, delete "covert"

Page 4, line 11, delete "operations," and delete the comma after "workteams"

A roll call was requested and properly seconded.

The question was taken on the amendment and the roll was called. There were 58 yeas and 69 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Findlay	Jennings	Omann	Sviggum
Bishop	Fjoslien	Johnson	Onnen	Thiede
Brinkman	Forsythe	Knickerbocker	Pauly	Uphus
Burger	Frerichs	Krueger	Piepho	Valan
Carlson, D.	Gruenes	Kvam	Quist	Valento
Clawson	Gutknecht	Levi	Redalen	Waltman
Cohen	Haukoos	Ludeman	Schafer	Welker
Dempsey	Heap	Mann	Seaberg	Wenzel
DenOuden	Heinitz	Marsh	Shea	Wigley
Dimler	Himle	McDonald	Sherman	Zatfke
Erickson	Hoberg	McKasy	Stadum	
Evans	Hokr	Olsen	Staten	

Those who voted in the negative were:

Anderson, B.	Ellingson	McEachern	Piper	Simoneau
Anderson, G.	Graba	Metzen	Price	Skoglund
Battaglia	Greenfield	Minne	Quinn	Solberg
Beard	Gustafson	Munger	Rice	Sparby
Begich	Halberg	Murphy	Riveness	Swanson
Bennett	Hoffman	Nelson, D.	Rodosovich	Tomlinson
Bergstrom	Jacobs	Nelson, K.	Rodriguez, F.	Tunheim
Berkelman	Kahn	Neuenschwander	Rose	Vellenga
Brandl	Kalis	Norton	St. Onge	Voss
Carlson, L.	Kelly	O'Connor	Sarna	Welch
Clark, J.	Knuth	Ogren	Scheid	Welle
Clark, K.	Kostohryz	Osthoff	Schoenfeld	Wynia
Eken	Larsen	Otis	Segal	Speaker Sieben
Elioff	Long	Peterson	Shaver	

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

S. F. No. 634, A bill for an act relating to game and fish; imposing a surcharge on fishing licenses for development and improvement of state fishing resources; authorizing designation of experimental and specialized fishing waters; authorizing additional notice of netting season; increasing certain license fees; prohibiting angling and use of tip-ups while spearing in a dark house; prohibiting issuance of new commercial game fish netting licenses; allowing designation of lakes for taking of certain muskellunge; reducing the seasonal commercial walleye take in Lake of the Woods and Rainy Lake; amending Minnesota Statutes 1982, sections 97.48, subdivisions 8, 22, and 26, and by adding a subdivision; 97.53, by adding a subdivision; 98.46, subdivision 5; 101.42, subdivisions 1a and 20; and 102.26, by adding subdivisions; proposing new law coded in Minnesota Statutes, chapters 97 and 102.

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 103 yeas and 22 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Forsythe	Larsen	Peterson	Skoglund
Anderson, G.	Graba	Levi	Piepho	Solberg
Battaglia	Greenfield	Long	Piper	Sparby
Beard	Gruenes	Mann	Price	Stadum
Begich	Gustafson	Marsh	Quinn	Staten
Bennett	Gutknecht	McEachern	Redalen	Sviggum
Bergstrom	Halberg	McKasy	Rice	Swanson
Berkelman	Heap	Metzen	Riveness	Thiede
Brandl	Heinitz	Minne	Rodosovich	Tomlinson
Brinkman	Himle	Munger	Rodriguez, C.	Tunheim
Burger	Hoberg	Murphy	Rodriguez, F.	Valan
Carlson, L.	Hoffman	Nelson, D.	Rose	Valento
Clark, J.	Jacobs	Nelson, K.	St. Onge	Waltman
Clark, K.	Johnson	Neuenschwander	Sarna	Welch
Clawson	Kahn	Norton	Schoenfeld	Welle
Cohen	Kalis	O'Connor	Schreiber	Wenzel
Coleman	Kelly	Olsen	Segal	Wigley
Dempsey	Knickerbocker	Omamm	Shaver	Wynia
Eken	Knuth	Osthoff	Shea	Speaker Sieben
Elioff	Kostohryz	Otis	Sherman	
Ellingson	Krueger	Pauly	Simoneau	

Those who voted in the negative were:

Anderson, R.	Findlay	Jennings	Quist	Welker
Carlson, D.	Fjoslien	Kvam	Schafer	Zaffke
Dimler	Frerichs	Ludeman	Uphus	
Erickson	Haukoos	McDonald	Vanasek	
Evans	Hokr	Onnen	Voss	

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

There being no objection the order of business reverted to Messages from the Senate.

MESSAGES FROM THE SENATE

The following message was received from the Senate:

Mr. Speaker:

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

S. F. No. 1234.

PATRICK E. FLAHAVEN, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 1234, A bill for an act relating to the organization and operation of state government; appropriating money for welfare, corrections, health, and other purposes with certain conditions; providing appropriations for the departments of public welfare, economic security, corrections, health, sentencing guidelines commission, corrections ombudsman, and health related boards; providing an entitlement to certain child care services; increasing marriage license and dissolution fees; providing for distribution of federal maternal and child health block grant money; requiring cost increase limits and other cost containment measures in medical care programs; amending eligibility standards; changing general assistance to allow flat grants, employment through grant diversion and work registration requirements, and federal benefit application incentives; providing for job training for certain persons; appropriating money for welfare, corrections, health, and other purposes with certain conditions; providing appropriations for the departments of public welfare, economic security, corrections, health, sentencing guidelines commission, corrections ombudsman, and health related boards; amending Minnesota Statutes 1982, sections 129A.03; 144.653, subdivision 2; 144A.04, subdivision 5; 144A.-10, subdivision 2; 145.882; 145.921, subdivision 1; 245.62; 245.-66; 245.83; 245.84, subdivisions 1, 2, and 5; 245.85; 245.86; 245.87; 256.045, subdivision 3; 256.82, by adding a subdivision; 256.966, subdivision 1; 256.968; 256B.02, subdivision 8; 256B.04, subdivision 14, and by adding a subdivision; 256B.06, subdivision 1; 256B.07; 256B.14, subdivision 2; 256B.17, subdivision 4, and by adding subdivisions; 256B.27, subdivision 3; 256B.48, by adding a subdivision; 256D.01, subdivision 1; 256D.02, subdivision 4; 256D.03, subdivisions 3 and 4, and by adding subdivisions; 256D.05, subdivision 1a; 256D.06, subdivision 5; 256D.-09, subdivision 2, and by adding a subdivision; 260.191, subdivision 2; 260.242, subdivision 2; 261.23; 357.021, subdivisions 2 and 2a; 401.14, by adding a subdivision; 401.15, subdivision 1; 517.08, subdivisions 1b and 1c; proposing new law coded in Minnesota Statutes, chapters 145; 252; 256; 256B; 256D; and 268; repealing Minnesota Statutes 1982, sections 256D.02, subdivision 14; 256D.05, subdivision 1a; 256D.06, subdivision 1a;

256D.22; and Laws 1981, chapter 360, article II, section 54, as amended.

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, Wynia moved that the rule therein be suspended and an urgency be declared so that S. F. No. 1234 be given its second and third readings and be placed upon its final passage. The motion prevailed.

Wynia moved that the rules of the House be so far suspended that S. F. No. 1234 be given its second and third readings and be placed upon its final passage. The motion prevailed.

S. F. No. 1234 was read for the second time.

Wynia moved to amend S. F. No. 1234, as follows:

Delete everything after the enacting clause and insert:

“ARTICLE 1

Section 1. [WELFARE, CORRECTIONS, HEALTH; APPROPRIATIONS.]

The sums set forth in the columns designated “APPROPRIATIONS” are appropriated from the general fund, or any other fund designated, to the agencies and for the purposes specified in this act, to be available for the fiscal years indicated for each purpose. The figures “1984” and “1985” wherever used in this act refer to fiscal years and mean that the appropriation or appropriations listed thereunder shall be available for the fiscal year ending June 30, 1984, or June 30, 1985, respectively.

SUMMARY BY FUND

	1984	1985	TOTAL
General	\$920,539,300	\$973,469,400	\$1,894,008,700
Trunk Highway	\$386,000	\$389,700	\$775,700

APPROPRIATIONS
Available for the Year
Ending June 30,

	1984	1985
	\$	\$

AGENCY AND PURPOSE

Sec. 2. COMMISSIONER OF
PUBLIC WELFARE

Subdivision 1. Total Department Appropriation	742,210,500	810,255,500
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The amounts that may be expended from this appropriation for each program and activity are more specifically described in the following subdivisions of this section.

Positions and administrative money may be transferred within the department of public welfare as deemed necessary by the commissioner, upon the advance approval of the commissioner of finance.

Subd. 2. Welfare Management	1,334,000	1,342,800
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Estimated federal money to be deposited in the general fund that is earned by the various accounts of the department of public welfare is detailed on the worksheets of the conferees of the senate and house of representatives, a true copy of which is on file in the office of the commissioner of finance. If federal money anticipated is less than shown on the official worksheets, the commissioner of finance shall reduce the amount available from the specific appropriation by a like amount. The reductions shall be noted in the budget document submitted to the 74th legislature in addition to an estimate of similar federal money anticipated for the biennium ending June 30, 1987.

Subd. 3. Support Services	8,506,100	8,373,700
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	1984	1985
	\$	\$

Notwithstanding the provisions of sections 246.51, 246.64, 251.011, or any other law to the contrary, for the biennium ending June 30, 1985, 1-1/4 percent of all funds estimated in the biennial budget document or in working papers of the two appropriations committees to be collected by the reimbursement division of the bureau of support services, department of public welfare, from any source, for cost of care in state-operated hospitals and nursing homes, shall be appropriated to the commissioner of public welfare for the operation of the collections division, subject to the budgetary control of the commissioner of finance. This provision shall not be construed to permit the commissioner of public welfare to reduce the amount of money available for patient care in state-operated hospitals and nursing homes. A quarterly report showing all receipts and expenditures shall be submitted to the house committee on appropriations and the senate committee on finance.

Subd. 4. Social Services	66,949,300	70,020,100
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The amounts that may be expended from this appropriation for each activity are as follows:

Community Social Services

\$ 54,625,600	\$ 57,498,700
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The payments for the community social services subsidy for each county shall be based upon the formula in effect for calendar year 1983. In addition the amount available for each county shall be increased by five percent on January 1, 1984 for calendar year 1984 and by five percent on January 1, 1985 for the first six months of 1985. No county shall receive less than the amount received in 1981; however, this appropriation shall be prorated if the amount is insufficient.

	1984	1985
	\$	\$
Aging, Blind, and Deaf Services		
	\$ 6,469,500	\$ 6,501,700
Social Services Support		
	\$ 5,854,200	\$ 6,019,700

This appropriation includes the sum of \$30,000 in fiscal year 1984 for the purpose of providing a grant-in-aid to The Bridge for Runaway Youth, Inc. for expenses related to a program which offered support for teenage women who wish to stop their involvement in prostitution and short-term residence and support for teenage runaways.

This is the final and non-recurring appropriation for The Bridge for Runaway Youths, Inc.

Subd. 5. Income Maintenance 626,328,000 693,317,200

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

Aid to Families with Dependent Children, General Assistance, Minnesota Supplemental Assistance

\$137,840,900 \$151,508,600

If the appropriation for aid to families with dependent children, general assistance, and Minnesota supplemental assistance is insufficient for either year, the appropriation for the other year shall be available by direction of the governor after consulting with the legislative advisory commission.

For the fiscal biennium ending June 30, 1985, the commissioner of public welfare shall provide supplementary grants, not to exceed \$150,000 per year, for aid to families with dependent children and shall include the following costs in deter-

	1984	1985
	\$	\$

mining the amount of the supplementary grants: major home repairs, repair of major home appliances, utility recaps, supplementary dietary needs not covered by medical assistance, and replacement of essential household furnishings and essential major appliances.

In determining the amount of the aid to families with dependent children grants, the commissioner of public welfare shall effect a five percent increase on July 1, 1983, and a five percent increase on July 1, 1984, unless federal statute or regulation requires otherwise.

Medical Assistance, General Assistance Medical Care, Preadmission Screening, and Alternative Care Grants

\$473,596,100	\$526,540,300
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The maximum monthly payment for attendant care shall be adjusted to \$1,080 per month effective July 1, 1983.

If the appropriation for medical assistance and general assistance medical care is insufficient for either year, the appropriation for the other year shall be available by direction of the governor after consulting with the legislative advisory commission.

The estimated acquisition cost of prescription drug ingredients for recipients of general assistance medical care is not subject to the eight percent increase limit, any general state payment reduction, or cost limitation described in this section, except as required under federal law or regulation. No co-payment shall be required for prescription drugs for recipients of general assistance medical care.

Income Maintenance Support

\$ 14,891,000	\$ 15,268,300
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	1984	1985
	\$	\$

For the child support enforcement activity, during the fiscal biennium ending June 30, 1985, sums received from the counties for provision of data processing services shall be deposited in that activity's account. Those sums are appropriated to the commissioner of public welfare for the purposes of the child support enforcement activity.

Subd. 6. Mental Health	39,093,100	37,201,700
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Any federal money received in excess of the estimates shown in the 1983 department of public welfare budget document shall reduce the state appropriation available by a like dollar amount, unless otherwise directed by the governor, after consulting with the legislative advisory commission.

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

State Hospitals and Nursing Homes

Approved Complement—

1984—6017.6

1985—6006.6

Salaries, Current Expense, Special Equipment

\$ 24,731,000 \$ 22,595,300

This appropriation includes \$242,700 for the purpose of operating an experimental project for chronically chemically dependent people at Ah Gwah Ching state nursing home. The commissioner of public welfare shall augment the program with federal money and any additional money provided through shared service agreements pursuant to Minnesota Statutes 1982, section 246.57, after the amount of the

	1984	1985
	\$	\$

state appropriation has been recovered and deposited in the general fund.

The commissioner shall maintain records of the operations of this project, evaluate the efficiency and effectiveness of the treatment program, and report back to the legislature during the 1984 session on the amount deposited to the general fund from the shared service agreements and the necessity and viability of operating this project in the future.

Repairs and Betterments

\$ 666,000

Any unexpended balance remaining in the first year for special equipment and repairs and betterments does not cancel but is available for the second year of the biennium.

Mental Health Support

\$ 13,696,100 \$ 14,606,400

If earnings under the various shared services agreements authorized in this subdivision are less than appropriated, the appropriation shall be reduced by a like dollar amount. If any shared service agreement is reduced or terminated, the approved complement related to that shared service agreement shall be reduced accordingly.

Notwithstanding the provisions of sections 275.50 to 275.58 or any other law to the contrary, a county which transferred monies from its general revenue account to the public assistance administrative account prior to May 1, 1983, to cover 1983 expenditures, may transfer without penalty from the special levy accounts delineated in section 275.50, subdivision 5, clauses (c) and (d), to the account for public assistance

	1984	1985
	\$	\$

administration, an amount not to exceed the total amount originally transferred from the general revenue account. The transfer of this sum may occur over a period of time to include calendar years 1983, 1984, and 1985.

Sec. 3. COMMISSIONER OF ECONOMIC SECURITY

Subdivision 1. Total Department Appropriation	71,446,900	56,510,600
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The amounts that may be expended from this appropriation for each program are more specifically described in the following subdivisions of this section.

Subd. 2. Governor's Jobs Program

\$ 47,970,000 \$ 32,200,000

Subd. 3. Job Service

\$ 4,634,900 \$ 3,134,900

Of the money appropriated for the summer youth program for fiscal year 1984, \$750,000 is immediately available. If that amount is insufficient for the costs incurred, an additional amount may be transferred upon the advance approval of the commissioner of finance. Any unexpended balance of the immediately available money shall be available for the year in which it is appropriated. Contracts for the 1983 program shall be written for the entire period of the 1983 program.

The commissioner may spend up to one percent of the appropriation for each fiscal year for the department's administrative costs and for program operators' administrative costs.

	1984	1985
	\$	\$

Subd. 4. Vocational Rehabilitation Services

\$ 15,342,100 \$ 16,621,200

For the fiscal biennium ending June 30, 1985, money received from workers' compensation carriers for vocational rehabilitation services to injured workers shall be deposited in the general fund.

Any federal money received for independent living services in excess of those shown in the 1983 budget document, shall reduce the state appropriation by a similar amount.

Any federal money received in excess of the estimates shown in the 1983 budget document shall reduce the state appropriation available by a like dollar amount, unless otherwise directed by the governor, after consulting with the legislative advisory commission.

The commissioner may spend money received from school districts, governmental subdivisions, mental health authorities, and private nonprofit organizations for the purpose of conducting joint or cooperative vocational rehabilitation programs, and this money is appropriated for this purpose.

Subd. 5. Training and Community Services

\$ 3,087,400 \$ 4,142,000

If the appropriation for either year of the weatherization program is insufficient, the appropriation from the other year is available for the program.

Subd. 6. Program and Management Support

\$ 412,500 \$ 412,500

	1984	1985
	\$	\$

The appropriation for the displaced homemaker program includes money for the purpose of making grants to programs to provide employment, training and support services to displaced homemakers.

Sec. 4. COMMISSIONER OF CORRECTIONS

Subdivision 1. Total Department Appropriation	78,676,900	79,767,900
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The amounts that may be expended from the appropriation for each program and activity are more specifically described in the following subdivisions of this section.

During the fiscal biennium ending June 30, 1985, positions and administrative money may be transferred within the department of corrections as deemed necessary by the commissioner, upon the advance approval of the commissioner of finance.

Subd. 2. Management Services	1,865,500	1,888,000
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During the fiscal biennium ending June 30, 1985, no new positions eligible for county probation reimbursement under this activity shall be added by any county without the written approval of the commissioner of corrections.

When new positions are approved, the commissioner shall include the cost of those positions in calculating each county's share.

Subd. 3. Policy and Planning	1,368,700	1,505,100
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Subd. 4. Community Services	21,415,200	20,625,900
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The amounts that may be expended from this appropriation for each activity are as follows:

	1984	1985
	\$	\$
Support		
	\$ 8,845,400	\$ 9,056,100

During the fiscal biennium ending June 30, 1985, the commissioner of corrections may authorize the use of a percentage of a grant for the operation of an emergency shelter or make a separate grant for the rehabilitation of any facility owned by the grantee and used as a shelter to bring the facility into compliance with state and local laws pertaining to health, fire, and safety, and to provide security.

Community Corrections Act

	\$ 12,569,800	\$ 11,569,800
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Notwithstanding the provisions of Minnesota Statutes, chapter 401, no county or group of counties participating in the community corrections act shall be charged any per diem cost of confinement for adults sentenced to the commissioner of corrections for crimes committed on or after January 1, 1981.

Subd. 5. Correctional Institutions	54,027,500	55,748,900
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Salaries

	\$ 41,392,100	\$ 42,541,800
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Current Expense

	\$ 8,575,700	\$ 8,986,400
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Repairs and Betterments

	\$ 654,200	\$ 706,500
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Special Equipment

	\$ 171,200	\$ 180,100
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	1984	1985
	\$	\$

Any unexpended balance in special equipment, repairs and betterments, and industry remaining in the first year does not cancel but is available for the second year of the biennium.

The commissioner of corrections is authorized to enter into an agreement with the appropriate Wisconsin officials for housing Wisconsin prisoners in Minnesota correctional facilities. Money received from Wisconsin pursuant to the agreement is appropriated to the commissioner of corrections for the purpose of operating the Minnesota Correctional Facility-Oak Park Heights and reimbursing Minnesota Correctional Facility-Stillwater and Minnesota Correctional Facility-St. Cloud for the cost of Wisconsin inmate care. Any unexpended balances within correctional institutions in current expense and salaries remaining in the first year does not cancel but is available for the second year of the biennium if receipt projections in the first year show a deficit for the biennium.

Notwithstanding any law to the contrary, if a county or municipality purchases labor or materials used in high-way construction or maintenance from a prison industry located in another state which could have been purchased from a Minnesota supplier, the county or municipality is ineligible to receive a distribution of local government aid pursuant to Minnesota Statutes 1982, section 477A.0135, for the remainder of the calendar year in which the purchase is made and for the full calendar year following the purchase.

Institution Support

\$ 3,234,300	\$ 3,334,100
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Sec. 5. SENTENCING GUIDELINES COMMISSION

Salaries, Supplies and Expense	154,000	157,400
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	1984	1985
	\$	\$
Sec. 6. CORRECTIONS OMBUDSMAN		
Salaries, Supplies and Expense	270,000	272,100

**Sec. 7. COMMISSIONER OF
HEALTH**

Subdivision 1. Total Department Ap- propriation	25,077,500	24,679,900
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Of this appropriation \$386,000 for fiscal year 1984 and \$389,700 for fiscal year 1985 are appropriated from the trunk highway fund for emergency medical services activities.

The amounts that may be expended from this appropriation for each program and activity are more specifically described in the following subdivisions of this section.

Positions and administrative money may be transferred within the department of health as deemed necessary by the commissioner, upon the advance approval of the commissioner of finance.

Subd. 2. Preventive and Personal Health Services	8,827,200	9,205,100
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Notwithstanding any law to the contrary, during the fiscal biennium ending June 30, 1985, the commissioner of health shall charge a fee of not less than \$5 for medical laboratory services.

During the fiscal biennium ending June 30, 1985, the commissioner of health may charge a fee for voluntary certification of medical laboratories and environmental laboratories. The fee may be established without complying with Minnesota Statutes, chapter 14.

During the fiscal biennium ending June 30, 1985, the commissioner of health may charge fees for environmen-

	1984	1985
	\$	\$

tal and medical laboratory services in amounts approximately equal to the costs of providing the services. The fees may be established without complying with Minnesota Statutes, chapter 14.

The commissioner of health shall conduct a study and evaluation of lead exposure and the health effects on children. The commissioner shall report the findings of the study to the legislature by February 1, 1984.

Subd. 3. Health Systems Quality Assurance	1,930,600	1,947,900
Subd. 4. Health Support Services	14,319,700	13,526,900

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

General support.

\$ 3,437,000 \$ 3,489,100

Community Health Services Subsidy

\$ 10,882,700 \$ 10,037,800

For the purposes of the community health services subsidy, the commissioner of finance may authorize the transfer of money to the community health services activity from the other programs in this section.

The payments for the community health services subsidy for each county shall be based upon the formula in effect in fiscal year 1983 except that the amount available for each county shall be increased by five percent each year of the biennium ending June 30, 1985, and be based upon the data used in arriving at the appropriation. No county, city, group of cities, or group of counties shall receive less than the amount re-

	1984	1985
	\$	\$

ceived in 1981; however, this appropriation shall be prorated if the amount is insufficient.

If the appropriation for community health services or services to children with handicaps is insufficient for either year, the appropriation for the other year shall be available by direction of the governor after consulting with the legislative advisory commission.

For the purposes of the community health services subsidy, the commissioner shall include public school swimming pool sanitation and safety within the definition of environmental health services.

Sec. 8. HEALTH RELATED
BOARDS

Subdivision 1. Board of Chiropractic Examiners	87,900	89,400
Subd. 2. Board of Dentistry	256,700	263,500
Subd. 3. Board of Medical Examiners	421,300	414,300
Subd. 4. Board of Nursing	766,400	783,100
Subd. 5. Board of Examiners for Nursing Home Administrators	105,500	107,400
Subd. 6. Board of Optometry	48,300	49,600
Subd. 7. Board of Pharmacy	327,900	327,400
Subd. 8. Board of Podiatry	5,800	6,000
Subd. 9. Board of Psychology	104,000	107,200
Subd. 10. Board of Veterinary Medicine	65,700	67,800

The commissioner of finance shall not permit the allotment, encumbrance, or

	1984	1985
	\$	\$

expenditure of any money appropriated in this section in excess of the anticipated biennial revenues.

Neither this subdivision nor Minnesota Statutes, section 214.06 apply to transfers from the general contingent account if the amount transferred does not exceed the amount of surplus revenue accumulated during the previous five years.

Sec. 9. CONTINGENT FOR STATE INSTITUTIONS	500,000
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This appropriation shall be used for emergency purposes and for the purchase of food, clothing, drugs, utilities, and fuel for any of the institutions for which an appropriation is made in this act. No expenditure shall be made from this appropriation without the direction of the governor after consulting with the legislative advisory commission.

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

For each year of the fiscal biennium ending June 30, 1985, the allowance for food may be adjusted annually according to the United States department of labor, bureau of labor statistics publication wholesale price index, upon the approval of the governor. Adjustments shall be based on the June, 1983, wholesale food price index, but the adjustment shall be prorated if the wholesale food price index adjustment would require money in excess of this appropriation.

Sec. 10. SPECIAL CONTINGENT	400,000
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This appropriation is available for use by the department of public welfare to match federal money from the home and community based waiver under United States Code, title 42, section

	1984	1985
	\$	\$

1396n(c), as amended through December 31, 1982, for costs to establish a client information system and for positions to administer the mental retardation program. These funds are not available to the department if the home and community based waiver application is not approved by June 30, 1984.

Sec. 11. []

For the fiscal biennium ending June 30, 1985 federal receipts as shown in the biennial budget document or in working papers of the two appropriations committees to be used for financing activities, programs, and projects under the supervision and jurisdiction of the commissioner of public welfare as approved in Article 1, section 10 and Article 4, sections 9 and 12 shall be accredited to and become a part of the appropriations provided for in section 2.

Sec. 12. [PROVISIONS.]

For the fiscal biennium ending June 30, 1985, money appropriated to the commissioner of corrections and to the commissioner of public welfare for the purchase of provisions within the item "current expense" shall be used solely for that purpose. Any money so provided and not used for purchase of provisions shall be canceled into the fund from which appropriated, except that money so provided and not used for the purchase of provisions because of population decreases may be transferred and used for the purchase of medical and hospital supplies with the approval of the governor after consulting with the legislative advisory commission.

Sec. 13. [TRANSFERS OF MONEY.]

Subdivision 1. [GOVERNOR'S APPROVAL REQUIRED.] For the fiscal biennium ending June 30, 1985, the commissioner of public welfare, the commissioner of corrections, the commissioner of economic security, and the commissioner of health shall not transfer any money to or from personal services, or claims and grants, as shown on the official worksheets of the conferees of the senate and house of representatives, a true copy of which is on file in the office of the commissioner of finance, except for those transfers that have the written approval of the governor after consulting with the legislative advisory commission.

Subd. 2. For the fiscal biennium ending June 30, 1985, the commissioners of public welfare, corrections, and health by direc-

tion of the governor after consulting with the legislative advisory commission may transfer unobligated appropriation balances and positions among all programs.

Sec. 14. [APPROVED COMPLEMENT.]

For the fiscal biennium ending June 30, 1985, the approved complements indicated in this act are full-time equivalent positions and apply only to positions paid for with money appropriated by this act.

Additional employees over the number of the approved complement may be employed on the basis of public necessity or emergency with the written approval of the governor, but the governor shall not approve the additional personnel until he has consulted with the legislative advisory commission. Any request for increases in the approved complement shall be forwarded to the appropriate committees on finance of the legislature not less than 30 days prior to the legislative advisory commission meeting.

Sec. 15. Minnesota Statutes 1982, section 144.653, subdivision 2, is amended to read:

Subd. 2. [PERIODIC INSPECTION.] All facilities required to be licensed under the provisions of sections 144.50 to 144.58 shall be periodically inspected by the (STATE) commissioner of health to (INSURE) ensure compliance with (ITS) rules (, REGULATIONS) and standards. Inspections shall occur at different times throughout the calendar year. The (STATE) commissioner of health may enter into agreements with political subdivisions providing for the inspection of such facilities by locally employed inspectors.

The commissioner of health shall conduct inspections and reinspections of all health care facilities licensed under the provisions of sections 144.50 to 144.56, with a frequency and in a manner calculated to produce the greatest benefit to residents within the limits of the resources available to the commissioner. In performing this function, the commissioner may devote proportionately more resources to the inspection of those facilities in which conditions present the most serious concerns with respect to resident health, treatment, comfort, safety, and well-being.

These conditions include but are not limited to: change in ownership; frequent change in administration in excess of normal turnover rates; complaints about care, safety, or rights; where previous inspections or reinspections have resulted in correction orders related to care, safety, or rights; and, where persons involved in ownership or administration of the facility have been indicted for alleged criminal activity. Any health care facility that has none of these conditions or any other condition estab-

lished by the commissioner that poses a risk to resident care, safety, or rights shall be inspected once every two years.

Sec. 16. Minnesota Statutes 1982, section 144A.10, subdivision 2, is amended to read:

Subd. 2. [INSPECTIONS.] The commissioner of health shall (ANNUALLY) inspect each nursing home to (ASSURE) *ensure* compliance with sections 144A.01 to 144A.17 and the rules promulgated (THEREUNDER) *to implement them*. The (ANNUAL) inspection shall be a full inspection of the nursing home. If upon a reinspection provided for in subdivision 5 the representative of the commissioner of health finds one or more uncorrected violations, a second inspection of the facility shall be conducted: The second inspection need not be a full inspection. No prior notice shall be given of an inspection conducted pursuant to this subdivision. Any employee of the commissioner of health who willfully gives or causes to be given any advance notice of an inspection required or authorized by this subdivision shall be subject to suspension or dismissal in accordance with chapter 43A. An inspection required by a federal rule or statute may be conducted in conjunction with or subsequent to any other inspection. Any inspection required by this subdivision may be in addition to or in conjunction with the reinspections required by subdivision 5. Nothing in this subdivision shall be construed to prohibit the commissioner of health from making more than one unannounced inspection of any nursing home during its license year. The commissioner of health shall coordinate his inspections of nursing homes with inspections by other state and local agencies.

The commissioner shall conduct inspections and reinspections of health facilities with a frequency and in a manner calculated to produce the greatest benefit to residents within the limits of the resources available to the commissioner. In performing this function, the commissioner may devote proportionately more resources to the inspection of those facilities in which conditions present the most serious concerns with respect to resident health, treatment, comfort, safety, and well-being.

These conditions include but are not limited to: change in ownership; frequent change in administration in excess of normal turnover rates; complaints about care, safety, or rights; where previous inspections or reinspections have resulted in correction orders related to care, safety, or rights; and, where persons involved in ownership or administration of the facility have been indicted for alleged criminal activity. Any facility that has none of these conditions or any other condition established by the commissioner that poses a risk to resident care, safety, or rights shall be inspected once every two years.

Sec. 17. Minnesota Statutes 1982, section 145.921, subdivision 1, is amended to read:

Subdivision 1. [PAYMENT.] When a city, county, or group of cities or counties meets the requirements prescribed in section 145.917, the state commissioner of health shall pay the amount of subsidy to the city or county in accordance with applicable rules and regulations from the funds appropriated for the purpose. (THE STATE COMMISSIONER OF HEALTH MAY MAKE AN ADVANCEMENT OF FUNDS ON A QUARTERLY BASIS.) *The commissioner of health shall make payments for community health services to each county in 12 installments per year. The commissioner shall ensure that the pertinent payment of the allotment for each month is made to each county on the first working day after the end of each month of the calendar year, except for the last month of the calendar year. The commissioner shall ensure that each county receives its payment of the allotment for that month no later than the last working day of that month. The payment described in this subdivision for services rendered during June, 1985, shall be made on the first working day of July, 1985.*

Sec. 18. Minnesota Statutes 1982, section 246.57, is amended by adding a subdivision to read:

Subd. 3. [LIMITED AGREEMENTS.] Notwithstanding the provisions of subdivision 1, the commissioner of public welfare may authorize a state hospital or state nursing home to enter into agreements with other governmental or nonprofit organizations for participation in limited shared service agreements that would be of mutual benefit to the state, the organization involved, and the public.

The duration of limited agreements may not exceed three calendar years and the total dollar amount attributable to a limited agreement may not exceed \$100,000. Consultation with the legislative advisory committee is not required for agreements made pursuant to this subdivision. The charges for services must be on an actual cost basis and receipts are dedicated for the operations of the hospital that provides the service, and are appropriated for that purpose.

Sec. 19. Minnesota Statutes 1982, section 256E.06, subdivision 2, is amended to read:

Subd. 2. [MINIMUM FUNDING LEVEL; STATE AIDS.] (NO COUNTY SHALL RECEIVE LESS IN STATE AIDS FOR COMMUNITY SOCIAL SERVICES UNDER SUBDIVISION 1 IN CALENDAR YEARS 1982 AND 1983 THAN 106 PERCENT OF THE STATE MONEY IT RECEIVED IN THE IMMEDIATELY PRECEDING CALENDAR YEAR PURSUANT TO SECTION 256E.06. FOR PURPOSES OF 1983, THE STATE MONEY THE COUNTY RECEIVED IN 1982 SHALL BE THE COMMUNITY SOCIAL SERVICE GRANT PLUS THE STATE MONEY IT RECEIVED FOR STATE FISCAL

YEAR 1982 AS AUTHORIZED BY THE HEALTH, WELFARE, AND CORRECTIONS APPROPRIATIONS ACT FOR THE BIENNIUM ENDING JUNE 30, 1983 FOR THE FOLLOWING ACTIVITIES: COST OF CARE FOR MENTALLY RETARDED, EPILEPTIC OR EMOTIONALLY HANDICAPPED CHILDREN PURSUANT TO SECTION 252.27, SUBDIVISION 1; COMMUNITY MENTAL HEALTH PILOT PROGRAM PURSUANT TO SECTION 245.72 AND COMMUNITY-BASED RESIDENTIAL PROGRAMS FOR MENTALLY ILL PERSONS.)

The term state funds does not include any federal money received by the state or counties for financing these services.

No county shall receive more than 130 percent of the amount received in the immediately preceding year as specified in this subdivision. If the amount allocated to any county pursuant to subdivision 1 is greater than this amount, the excess shall be reallocated to all counties in direct proportion to their initial allocations.

If the amount allocated to any county pursuant to subdivision 1 and the preceding paragraph is less than the minimum funding level of that county, its allocation shall be raised to its minimum share through an equal percentage reduction applied to all other county allocations.

Sec. 20. Minnesota Statutes 1982, section 401.14, is amended by adding a subdivision to read:

Subd. 3. [INSTALLMENT PAYMENTS.] The commissioner of corrections shall make payments for community corrections services to each county in 12 installments per year. The commissioner shall ensure that the pertinent payment of the allotment for each month is made to each county on the first working day after the end of each month of the calendar year, except for the last month of the calendar year. The commissioner shall ensure that each county receives its payment of the allotment for that month no later than the last working day of that month. The payment described in this subdivision for services rendered during June, 1985, shall be made on the first working day of July, 1985.

Sec. 21. Minnesota Statutes 1982, section 401.15, subdivision 1, is amended to read:

Subdivision 1. On or before the end of each calendar quarter, participating counties which have received the payments authorized by section 401.14 shall submit to the commissioner certified statements detailing the amounts expended and costs incurred in furnishing the correctional services provided in sections 401.01 to 401.16. Upon receipt of certified statements, the commissioner shall, in the manner provided in sections 401.10 and

401.12, determine the amount each participating county is entitled to receive, making any adjustments necessary to rectify any disparity between the amounts received pursuant to the estimate provided in section 401.14 and the amounts actually expended. If the amount received pursuant to the estimate is greater than the amount actually expended during the quarter, the commissioner may withhold the difference from any subsequent (QUARTERLY) *monthly* payments made pursuant to section 401.14. Upon certification by the commissioner of the amount a participating county is entitled to receive under the provisions of section 401.14 or of this subdivision the commissioner of finance shall thereupon issue a state warrant to the chief fiscal officer of each participating county for the amount due together with a copy of the certificate prepared by the commissioner.

Sec. 22. [REPEALER.]

Laws 1979, chapter 336, section 5 and Laws 1981, chapter 323, section 4, are repealed.

Sec. 23. [EFFECTIVE DATE.]

Section 19 is effective January 1, 1984. Sections 17, 20, and 21 are effective January 1, 1985.

ARTICLE 2

Section 1. Minnesota Statutes 1982, section 246.51, subdivision 1, is amended to read:

Subdivision 1. [PROCEDURES.] The commissioner shall make investigation as necessary to determine, and as circumstances require redetermine, what part of the cost of care, if any, the patient is able to pay. If the patient is unable to pay the full cost of care the commissioner shall make a determination as to the ability of the relatives to pay. The patient or relatives or both shall provide the commissioner documents and proofs necessary to determine their ability to pay. Failure to provide the commissioner with sufficient information to determine ability to pay may make the patient or relatives, both, liable for the full per capita cost of care until the time when sufficient information is provided. No parent shall be liable for the cost of care given a patient at a state hospital after the patient has reached the age of 18 years. The commissioner's determination shall be conclusive in any action to enforce payment of the cost of care unless appealed from as provided in section 246.55. (ALL MONEY RECEIVED SHALL BE PAID TO THE STATE TREASURER AND PLACED IN THE GENERAL FUND OF THE STATE AND A SEPARATE ACCOUNT KEPT OF IT.) Responsibility under this section shall not apply to those relatives having gross earnings of less than \$11,000 per year.

Sec. 2. [246.64] [RECEIPTS FOR COST OF CARE.]

All money collected from any source for cost of care in state hospitals is appropriated to the commissioner of public welfare for the operation of the state hospitals, subject to budgetary control by the commissioner of finance. Notwithstanding section 16A.28 or other law relating to the lapse of an appropriation, funds appropriated by this section shall not lapse but shall remain available until expended.

Sec. 3. Minnesota Statutes 1982, section 251.011, subdivision 6, is amended to read:

Subd. 6. [RULES AND REGULATIONS.] The commissioner of public welfare shall have the power to make rules and regulations for the operation of the state nursing homes at Ah-Gwah-Ching and Oak Terrace and for the admission of patients thereto, and to fix the charges to be made for care therein. *All money collected from any source for cost of care in state nursing homes is appropriated to the commissioner of public welfare for the operation of the state nursing homes, subject to budgetary control by the commissioner of finance. Notwithstanding section 16A.28 or other law relating to the lapse of an appropriation, funds appropriated by this section shall not lapse but shall remain available until expended.*

Sec. 4. Laws 1981, chapter 360, section 10, is amended to read:

Sec. 10. [RECEIPTS.]

For the biennium ending June 30, (1983) 1985, all funds, sums of money, or other resources provided or to be received as shown in the biennial budget document or in working papers of the two appropriations committees, including all receipts, collections, legislative allocations, transfers, and other income and receipts properly belonging to and to be used for financing activities, programs, and other projects other than the institutions now or hereafter under the supervision and jurisdiction of the commissioner of public welfare not otherwise specifically designated as income or credits to other state departments or funds by law, shall be accredited to and become a part of the appropriations provided for in section 2, subdivisions 2, 3, and 4. Receipts in excess of those shown in the biennial budget are not available without the approval of the governor, after consultation with the legislative advisory commission.

All funds to be collected from any source for cost of care in state operated hospitals and nursing homes, as shown in the biennial budget document or in working papers of the house of representatives and senate appropriations committees, now or hereafter under the supervision and jurisdiction of the commissioner

of public welfare shall be appropriated to the commissioner for the operation of the state hospitals and nursing homes, subject to budgetary control by the commissioner of finance. Notwithstanding section 16A.28 or other law relating to the lapse of an appropriation, funds appropriated by this subdivision shall not lapse but shall remain available until expended. Receipts in excess of those shown in the biennial budget are not available for institution expenditure and shall decrease the appropriation to the commissioner of public welfare by a like amount.

A separate dedicated receipts account for each state hospital shall be created.

Sec. 5. [APPROPRIATIONS TRANSFER.]

For the fiscal biennium ending June 30, 1985, the commissioner of public welfare by direction of the commissioner of finance may transfer appropriation balances among all department of public welfare institutions.

ARTICLE 3

MATERNAL AND CHILD HEALTH

Section 1. Minnesota Statutes 1982, section 145.881, is amended to read:

145.881 [MATERNAL AND CHILD HEALTH ADVISORY TASK FORCE.]

Subdivision 1. [COMPOSITION OF TASK FORCE.] The commissioner shall establish and appoint a maternal and child health advisory task force consisting of 15 members who will provide equal representation from:

- (1) professionals with expertise in maternal and child health services;
- (2) representatives of local health boards as defined in section 145.913; and
- (3) consumer representatives interested in the health of mothers and children.

No members shall be employees of the state department of health. Task force members shall be appointed and removed (AND TERMS SHALL EXPIRE) as provided in section 15.059, subdivision 6, *Notwithstanding section 15.059, subdivision 5, the maternal and child health advisory task force shall terminate on June 30, 1985.*

Subd. 2. [DUTIES.] The advisory task force shall meet on a regular basis to perform the following duties:

(a) Review and report on the health care needs of mothers and children throughout the state of Minnesota;

(b) Review and report on the type, frequency and impact of maternal and child health care services provided to mothers and children under existing maternal and child health care programs, including programs administered by the commissioner of health;

(c) Establish, review, and report to the commissioner a list of program guidelines and criteria which the advisory task force considers essential to providing an effective maternal and child health care program to low income *populations and* (,) high risk patients and fulfilling the purposes defined in section 145.88;

(d) Review staff recommendations of the department of health regarding maternal and child health grant awards before the awards are made;

(e) Make recommendations to the commissioner for the use of other federal and state funds available to meet maternal and child health needs;

(f) Make recommendations to the commissioner of health on priorities for funding the following maternal and child health services: (1) prenatal, delivery and postpartum care, (2) comprehensive health care for children, especially from birth through five years of age, (3) adolescent health services, (4) family planning services, (5) preventive dental care, (6) special services for chronically ill and handicapped children and (7) any other services which promote the health of mothers and children; and

(g) Make recommendations to the commissioner of health on (A) *the* process to distribute, award and administer the maternal and child health block grant funds (AFTER JULY 1, 1983 THAT WILL FULFILL THE PURPOSES OF SECTION 145.88).

Sec. 2. Minnesota Statutes 1982, section 145.882, is amended to read:

145.882 [MATERNAL AND CHILD HEALTH BLOCK GRANT DISTRIBUTION.]

(THE MATERNAL AND CHILD HEALTH CARE BLOCK GRANT SHALL BE DISTRIBUTED TO THE SAME RECIPIENTS THAT RECEIVED FUNDS DURING THE PREVIOUS YEAR UNTIL JULY 1, 1983. A REDUCTION IN FEDERAL

FUNDING SHALL BE DISTRIBUTED TO REFLECT A PROPORTIONAL REDUCTION FOR EACH RECIPIENT.)

Until September 30, 1985, the total funding for maternal and child health grants for special projects up to the total of such grants in state fiscal year 1983 shall be allocated so that the same proportion of the funds is distributed within each county as in state fiscal year 1983. A reduction in federal funding shall be distributed to reflect a proportional reduction within each county.

The commissioner shall prepare, with the advice of the advisory task force, an annual report to the legislature which details the distribution of maternal and child health block grant funds, including the amounts to be expended for indirect costs, direct services, and special projects. The report shall also identify the statewide needs of low income and high risk populations and the department of health's plans for meeting their needs. The legislature must receive the report no later than January of each year.

Sec. 3. [145.883] [DEFINITIONS.]

Subdivision 1. [SCOPE.] For purposes of sections 145.881, 145.882, and 3 to 7, the terms defined in this section shall have the meanings given them.

Subd. 2. [COMMISSIONER.] "Commissioner" means the commissioner of health.

Subd. 3. [QUALIFIED PROGRAM.] "Qualified program" means a program with professional maternal and child health care staff which is established for the purpose of providing one or more essential services in maternal and child health care to a target population of low income or high risk persons.

Subd. 4. [ESSENTIAL SERVICES.] "Essential services" means (a) prenatal, delivery, and post partum care; (b) comprehensive health care for children from birth through five years of age; (c) adolescent health services; (d) family planning services, as defined in section 145.912, subdivision 9; (e) preventive dental care; or (f) special services for chronically ill children and for handicapped children.

Subd. 5. [LOW INCOME.] "Low income" means an individual or family with an income determined to be at or below 175 percent of the income official poverty line defined by the office of management and budget and revised annually in accordance with United States Code, title 42, section 9902, as amended through December 31, 1982. With respect to an individual who is a high risk person, "low income" means the income of the high risk person or the person's family is determined to be at or below 200 percent of the income official poverty line

defined by the office of management and budget and revised annually in accordance with United States Code, title 42, section 9902, as amended through December 31, 1982. The commissioner shall establish the low income level for eligibility for services to children with handicaps.

Subd. 6. [HIGH RISK PERSON.] "High risk person" means a mother or child with a condition which significantly increases the probability of disease, injury, death, or other adverse health-related problem. Determination that a condition results in high risk shall be based on well validated, scientific studies.

Subd. 7. [SPECIAL PROJECT.] "Special project" means a qualified program that receives maternal and child health block grant money and is administered by a public or private nonprofit agency other than the Minnesota department of health. A special project may not impose residency requirements, other than state residence, as a condition of receiving essential services.

Subd. 8. [MATERNAL AND CHILD HEALTH BLOCK GRANT MONEY.] "Maternal and child health block grant money" means the money received by the state from the federal maternal and child health block grant. The commissioner shall carry forward from a prior state fiscal year sufficient funds for qualified programs approved through the federal fiscal year.

Sec. 4. [145.884] [GRANTS TO QUALIFIED PROGRAMS.]

The commissioner shall, in the name of the state and within the limit of the federal maternal and child health block grant appropriation, make grants to public and private nonprofit agencies administering qualified programs of maternal and child health care services. Before March 1 of each year, the commissioner shall publish in the State Register the following information, which need not have been promulgated as rules:

- (a) procedures for grant applications;*
- (b) conditions and procedures for administration of the grants;*
- (c) criteria for eligibility for grants; and*
- (d) such other information as the commissioner finds necessary for the proper administration of the grant program.*

Sec. 5. [145.885.] [APPLICATION FOR A GRANT.]

An application for a grant must be submitted to the commissioner at a time and in a form and manner as the commissioner

prescribes. Department of health technical staff shall be available to provide technical assistance in development of grant applications. The application must contain:

(a) a complete description of the program and the manner in which the applicant intends to conduct the program;

(b) a budget and justification for the amount of grant funds requested;

(c) a description of the target population served by the qualified program and estimates of the number of low income or high risk persons the program is expected to serve;

(d) the name or names of the person or persons who shall have primary responsibility for the administration and delivery of services of the qualified program; and

(e) the reporting and accounting procedures to be followed by the qualified agency to enable the commissioner to evaluate the activities of the qualified program.

Sec. 6. [145.886] [GRANT REVIEW PROCESS.]

Primary review of all grant applications shall be conducted by the department of health technical staff. All technically completed applications will be forwarded for secondary review to a grants review panel established by the commissioner. A majority of the grants review panel must be professionals with expertise in maternal and child health care. No member of the panel may be an employee of a public or private nonprofit agency receiving or applying for maternal and child health block grant money. The advisory task force shall review the recommendations of the grants review panel for comment to the commissioner. The commissioner shall award grants under sections 5 and 6 only after receiving the comments and recommendation of the grants review panel and the advisory task force on completed grant applications.

Sec. 7. [145.887] [LIMITATIONS.]

Grants awarded to qualified programs under sections 5 to 7 may not exceed 75 percent of the estimated annual cost of the qualified program for the fiscal year for which the grant is awarded.

Sec. 8. [EFFECTIVE DATE.]

Sections 1 to 7 are effective the day following final enactment.

ARTICLE 4

MEDICAL ASSISTANCE AND GENERAL ASSISTANCE
MEDICAL CARE

Section 1. Minnesota Statutes 1982, section 245.62, is amended to read:

245.62 [COMMUNITY MENTAL HEALTH (PROGRAM; TAX LEVY) CENTER.]

Subdivision 1. [ESTABLISHMENT.] Any city, county, town, (OR ANY) combination thereof, or private nonprofit corporation may establish a community mental health (SERVICES PROGRAM AND MAY ESTABLISH CLINICS AND STAFF SAME WITH PERSONS SPECIALLY TRAINED IN PSYCHIATRY AND RELATED FIELDS) center.

Subd. 2. [DEFINITION.] A community mental health center is a private nonprofit corporation or public agency approved under the temporary and permanent rules promulgated by the commissioner pursuant to subdivision 4.

Subd. 3. [CLINICAL DIRECTOR.] All community mental health center services shall be provided under the clinical direction of a licensed consulting psychologist licensed under sections 148.88 to 148.98; or a physician who is board certified or eligible for board certification in psychiatry, and who is licensed under section 147.02.

Subd. 4. [RULES.] The commissioner shall promulgate temporary and permanent rules to establish standards for the designation of an agency as a community mental health center. These standards shall include, but are not limited to:

(a) provision of mental health services in the prevention, identification, treatment and aftercare of emotional disorders, chronic and acute mental illness, mental retardation and developmental disabilities, and alcohol and drug abuse and dependency, including the services listed in section 245.61 except detoxification services;

(b) establishment of a community mental health center board pursuant to section 245.66; and

(c) approval pursuant to section 245.69, subdivision 2.

Sec. 2. Minnesota Statutes 1982, section 245.66, is amended to read:

245.66 [COMMUNITY MENTAL HEALTH CENTER BOARDS.]

Every city, county, town, combination thereof or nonprofit corporation establishing a community mental health center (UNDER CONTRACT WITH A COUNTY BOARD OR HUMAN SERVICE BOARD SHALL, BEFORE IT MAY COME WITHIN THE PROVISIONS OF SECTIONS 245.61 TO 245.69 AND RECEIVE FUNDS FROM THE COUNTY BOARD OR HUMAN SERVICE BOARD,) shall establish a community mental health center board. The community mental health center (BOARDS) board may include county commissioner representatives from each participating county and shall be representative of (LOCAL HEALTH DEPARTMENTS, MEDICAL SOCIETIES, HOSPITAL BOARDS, LAY ASSOCIATIONS CONCERNED WITH MENTAL HEALTH, MENTAL RETARDATION AND CHEMICAL DEPENDENCY, LABOR, AGRICULTURE, BUSINESS, CIVIC AND PROFESSIONAL GROUPS AND THE GENERAL PUBLIC. MEMBERSHIP MAY INCLUDE A REPRESENTATIVE FROM ANY COUNTY WHICH PURCHASES SUBSTANTIAL SERVICES FROM THE COMMUNITY MENTAL HEALTH BOARD) *the local population, including at least health and human service professions and advocate associations, other fields of employment, and the general public.* Each community mental health center board shall be responsible for the (GOVERNING) *governance and performance* of its center (AND SHALL BE RESPONSIBLE FOR THE PERFORMANCE OF THE CENTER UNDER ANY CONTRACTS ENTERED INTO WITH A COUNTY BOARD OF COMMISSIONERS OR HUMAN SERVICES BOARD. THIS GOVERNING SHALL INCLUDE DETERMINATION OF THE SERVICES TO BE PROVIDED BY THE COMMUNITY MENTAL HEALTH CENTER, ESTABLISHMENT OF THE ANNUAL BUDGET, APPOINTMENT OF THE CENTER DIRECTOR, AND ESTABLISHMENT OF PERSONNEL STANDARDS AND COMPENSATION FOR EMPLOYEES OF THE CENTER).

Sec. 3. [OUTPATIENT CHEMICAL DEPENDENCY TREATMENT PROJECT.]

Subdivision 1. [PURPOSE.] The commissioner of public welfare shall establish a pilot project for outpatient chemical dependency treatment. The purpose of the pilot project is to demonstrate the cost-effectiveness of outpatient chemical dependency treatment for certain recipients of public assistance programs. Clients admitted to a state hospital for chemical dependency treatment shall have included in their assessment the commissioner of public welfare's criteria for determining the appropriate level of chemical dependency care, whether outpatient, inpatient or short-term. Clients for whom the appropriate level of treatment is outpatient treatment must be referred by the state hospital to an outpatient treatment program for individuals with alcohol and other drug problems licensed by the commissioner or approved by the joint commission on accreditation of hospitals. An exception may be made for clients whose resi-

dence is more than 45 miles from a licensed or approved outpatient treatment program.

Subd. 2. [FUNDING LIMITATIONS.] The pilot project shall be limited to 600 clients annually. The cost per client shall not exceed \$15 per hour of treatment up to 70 hours but not to exceed a total cost per client of \$1,000 in a 12 month period. Payment for pilot project clients shall be as provided through the reimbursement mechanism for the general assistance medical care program; the state's share of the payments shall be 90 percent. The commissioner may require outpatient treatment programs to submit to a competitive bid process.

Subd. 3. [MONITORING: EVALUATION.] In determining the appropriate level of chemical dependency care, state hospital staff shall use an assessment form provided by the commissioner. At designated intervals these forms shall be forwarded to the commissioner for review and evaluation of the recommendations. State hospitals and all outpatient treatment programs for individuals with alcohol and other drug problems licensed by the commissioner or approved by the joint commission on accreditation of hospitals which participate in the pilot project shall supply information to the commissioner's uniform reporting system. The information required shall include, but not be limited to, the types of clients served, chemical use history, prior treatment, length of stay, cost of treatment, and treatment outcomes.

Subd. 4. [STATE HOSPITALS.] All state hospitals with inpatient beds for chemical dependency treatment shall work with the commissioner in developing a plan and implementing a 60 bed reduction in those inpatient beds within the state hospital system prior to July 1, 1984. With the approval of the commissioner, the remaining inpatient chemical dependency treatment program costs may be transferred to state hospital outpatient programs. Nothing in this section shall allow total closure of any inpatient chemical dependency unit in any state hospital prior to July 1, 1985.

Subd. 5. [REPORT.] The commissioner shall prepare a report to the legislature by January 1984 on the outpatient chemical dependency treatment pilot project and on the plan to achieve a 60 bed reduction in the state hospital system's inpatient beds for chemical dependency treatment.

Subd. 6. [RULES.] The commissioner shall promulgate temporary and permanent rules to establish criteria for determining the appropriate level of chemical dependency care, whether outpatient, inpatient or short-term, for recipients of public assistance seeking treatment for alcohol or other drug dependency and abuse problems as required by section 254A.03, subdivision 3.

Sec. 4. Minnesota Statutes 1982, section 256.01, subdivision 2, is amended to read:

Subd. 2. [SPECIFIC POWERS.] Subject to the provisions of section 241.021, subdivision 2, the commissioner of public welfare shall:

(1) Administer and supervise all forms of public assistance provided for by state law and other welfare activities or services as may from time to time be vested in the commissioner.

(2) Administer and supervise all child welfare activities; promote the enforcement of laws protecting defective, illegitimate, dependent, neglected and delinquent children; license and supervise child-caring and child-placing agencies and institutions; supervise the care of children in boarding and foster homes or in private institutions; and generally perform all functions relating to the field of child welfare now vested in the state board of control.

(3) Administer and supervise all non-institutional service to handicapped persons, including the blind, the deaf, the tuberculous, the crippled, and otherwise handicapped persons. The authority and power conferred by this subdivision shall include the authority and power to provide and contract for the care and treatment of qualified indigent children in facilities other than those located and available at state hospitals when it is not feasible to provide the service in state hospitals.

(4) Assist and actively cooperate with other departments, agencies and institutions, local, state, and federal, by performing services in conformity with the purposes of Laws 1939, Chapter 431.

(5) Act as the agent of and cooperate with the federal government in matters of mutual concern relative to and in conformity with the provisions of Laws 1939, Chapter 431, including the administration of any federal funds granted to the state to aid in the performance of any functions of the commissioner as specified in Laws 1939, Chapter 431, and including the promulgation of rules making uniformly available medical care benefits to all recipients of public assistance, at such times as the federal government increases its participation in assistance expenditures for medical care to recipients of public assistance, the cost thereof to be borne in the same proportion as are grants of aid to said recipients.

(6) Establish and maintain any administrative units reasonably necessary for the performance of administrative functions common to all divisions of the department.

(7) Administer and supervise any additional welfare activities and services as may, from time to time, hereafter be vested by law in the (STATE) department.

(8) The commissioner is hereby specifically constituted as guardian of both the estate and the person of all the wards of the state of Minnesota and other persons the guardianship of whom has been heretofore vested in the state board of control, whether by operation of law or by an order of court, without any further act or proceeding whatever, except as to persons committed as mentally retarded or epileptic. All of said guardianships, and the funds and property of the same, are hereby transferred to and vested in said commissioner, and said commissioner is hereby constituted a legal entity and is hereby empowered to act as guardian under any laws of this state heretofore conferring such powers upon the state board of control.

(9) Act as coordinating referral and informational center on requests for service for newly arrived immigrants coming to Minnesota.

(10) The specific enumeration of powers and duties as hereinabove set forth shall in no way be construed to be a limitation upon the general transfer of powers herein contained.

(11) Establish county, regional, or state-wide schedules of maximum fees and charges which may be paid by local agencies for medical, dental, surgical, hospital, nursing and nursing home care and medicine and medical supplies under all programs of medical care provided by the state and for congregate living care under the income maintenance programs.

(12) Have the authority to conduct and administer experimental projects to test methods and procedures of administering assistance and services to recipients or potential recipients of public welfare. To carry out such experimental projects, it is further provided that the commissioner of public welfare is authorized to waive the enforcement of existing specific statutory program requirements, regulations, and standards in one or more counties. The order establishing the waiver shall provide alternative methods and procedures of administration, shall not be in conflict with the basic purposes, coverage, or benefits provided by law, and in no event shall the duration of a project exceed two years. It is further provided that no order establishing an experimental project as authorized by the provisions of this section shall become effective until the following conditions have been met:

(a) The proposed comprehensive plan including estimated project costs and the proposed order establishing the waiver shall be filed with the secretary of the senate and chief clerk of the house of representatives at least 60 days prior to its effective date.

(b) The secretary of health, education, and welfare of the United States has agreed, for the same project, to waive state plan requirements relative to state-wide uniformity.

(c) A comprehensive plan, including estimated project costs, shall be approved by the legislative advisory commission and filed with the commissioner of administration.

(13) In accordance with federal requirements establish procedures to be followed by local welfare boards in creating citizen advisory committees, including procedures for selection of committee members.

(14) (PROMULGATE, BY RULE, STANDARDS OF ADMINISTRATION TO BE APPLIED BY LOCAL WELFARE BOARDS ADMINISTERING STATE AND COUNTY FINANCED PROGRAMS OF MEDICAL ASSISTANCE PURSUANT TO CHAPTER 256B, GENERAL RELIEF MEDICAL CARE PURSUANT TO SECTION 256D.02, SUBDIVISION 4 AND MEDICAL, HOSPITAL, AND SURGICAL CARE FOR PERSONS ELIGIBLE FOR GENERAL ASSISTANCE PURSUANT TO CHAPTER 256D, OR FOR INDIGENT PERSONS WHOSE COSTS OF HOSPITALIZATION ARE PAID PURSUANT TO SECTIONS 261.21 TO 261.232. THE RULES SHALL SPECIFY A UNIFORM STANDARD OF PERFORMANCE AND A TOLERATED ERROR RATE, BUT SHALL NOT SPECIFY THE MINIMUM NUMBER OF PERSONNEL TO BE EMPLOYED BY A LOCAL AGENCY IF THE AGENCY OPERATES AT THE SPECIFIED STANDARD OF PERFORMANCE OR AT OR BELOW THE TOLERATED ERROR RATE. THE COMMISSIONER MAY DEDUCT FROM THE EARNED ADMINISTRATIVE REIMBURSEMENTS OF A COUNTY A PENALTY FOR THE COUNTY'S FAILURE TO COMPLY WITH THE STANDARDS OF ADMINISTRATION. THE PENALTY SHALL BE FIXED BY THE COMMISSIONER AS A PERCENTAGE OF THE OVEREXPENDITURE CAUSED BY IMPROPER ADMINISTRATION, BEYOND AN INITIAL TOLERATED AMOUNT OF OVEREXPENDITURE. IN THE EVENT THAT FISCAL SANCTIONS ARE IMPOSED BY THE FEDERAL GOVERNMENT BECAUSE OF IMPROPER ADMINISTRATION OF THE PROGRAMS, ONE HALF OF THE AMOUNT OF THE SANCTIONS ATTRIBUTABLE TO LOCAL AGENCY PERFORMANCE SHALL BE DEDUCTED FROM ADMINISTRATIVE REIMBURSEMENT OTHERWISE DUE THE COUNTY) *Allocate federal fiscal disallowances or sanctions which are based on quality control error rates for the aid to families with dependent children, medical assistance, or food stamp program in the following manner:*

(a) *One-half of the total amount of the disallowance shall be borne by the county boards responsible for administering the programs and shall be shared by each county board in the same*

proportion as that county's expenditures for the sanctioned program are to the total of all counties' expenditures for that program. Each county shall pay its share of the disallowance to the state of Minnesota. When a county fails to pay the amount due hereunder, the commissioner may deduct the amount from reimbursement otherwise due the county, or the attorney general, upon the request of the commissioner, may institute civil action to recover the amount due.

(b) Notwithstanding the provisions of paragraph (a), if the disallowance results from knowing noncompliance by one or more counties with a specific program instruction, and that knowing noncompliance is a matter of official county board record, the commissioner may require payment or recover from the county or counties, in the manner prescribed in paragraph (a), an amount equal to the portion of the total disallowance which resulted from the noncompliance, and may distribute the balance of the disallowance according to paragraph (a).

Sec. 5. Minnesota Statutes 1982, section 256.82, is amended by adding a subdivision to read:

Subd. 3. [SETTING FOSTER CARE STANDARD RATES.] The commissioner shall annually establish minimum standard rates for foster care maintenance for all children in foster care, and require county boards to establish difficulty-of-care payments for all children in foster care.

Sec. 6. Minnesota Statutes 1982, section 256.966, subdivision 1, is amended to read:

Subdivision 1. [IN GENERAL.] For the biennium ending June 30, (1983) 1985, the annual increase in the cost per service unit paid to any vendor under medical assistance and general assistance medical care shall not exceed eight percent. (THE PERIOD FOR MEASURING GROWTH SHALL BE THE STATE FISCAL YEAR.)

Sec. 7. Minnesota Statutes 1982, section 256.967, is amended to read:

256.967 [MEDICAL CARE PAYMENTS; LIMITATIONS ON FEES.]

For the fiscal biennium ending June 30, 1985, all payments for vendors of medical care under general assistance medical care shall be based upon this standard: the 50th percentile of usual and customary fees based upon medical assistance billings during calendar year 1978. All payments for vendors of medical care under medical assistance shall be limited to the 50th percentile of usual and customary fees based upon billings during calendar year 1979 for physician services, dental care, vision

care, podiatric services, chiropractic care, physical therapy, occupational therapy, speech pathologists, audiologists, mental health centers, psychologists, public health clinics, and independent laboratory and x-ray services.

Sec. 8. Minnesota Statutes 1982, section 256.968, is amended to read:

256.968 [LIMITATION ON INPATIENT CHEMICAL DEPENDENCY TREATMENT.]

The commissioner of public welfare shall limit medical assistance and general assistance medical care reimbursement for treatment of alcoholism, chemical dependency or drug addiction which is rendered in a licensed hospital or certified nursing home to 10 days unless need for extended care is certified by the attending physician. *In no case shall reimbursement for inpatient treatment extend beyond 20 days in a 12-month period unless there is prior authorization from the commissioner. The commissioner shall seek the advice of the professional services advisory committee concerning the need for extended inpatient treatment.*

Sec. 9. [256.969] [INPATIENT HOSPITALS.]

Subdivision 1. [ANNUAL COST INDEX.] The legislature directs the commissioner of public welfare to develop a prospective payment system for inpatient hospital service under the medical assistance and general assistance medical care programs. Rates paid to licensed hospitals for rate years beginning during the biennium ending June 30, 1985, shall not exceed an annual hospital cost index for the final rate allowed to the hospital for the preceding year. The annual hospital cost index shall be obtained from an independent source representing a statewide average of inflation estimates determined for expense categories to include salaries, employee benefits, medical fees, raw food, medical supplies, pharmaceuticals, utilities, repairs and maintenance, insurance other than malpractice insurance, and other applicable expenses as determined by the commissioner. The index shall reflect the regional differences within the state and include a one percent increase to reflect changes in technology. The annual hospital cost index shall be published 30 days before the start of each calendar quarter and shall be applicable to all hospitals whose fiscal years start on or during the calendar quarter.

Subd. 2. [RATES FOR INPATIENT HOSPITALS.] Rates paid to inpatient hospitals shall be based on a rate per admission.

Subd. 3. [SPECIAL CONSIDERATIONS.] In determining the rate, the commissioner of public welfare will take into consideration whether the following circumstances exist:

- (a) *minimal medical assistance and general assistance medical care utilization;*
- (b) *unusual length of stay experience; and*
- (c) *disproportionate numbers of low income patients served.*

Subd. 4. [APPEALS BOARD.] An appeals board shall be established for purposes of hearing reports for changes in the rate per admission. The appeals board shall consist of two public representatives, two representatives of the hospital industry, and one representative of the business or consumer community. The appeals board shall advise the commissioner on adjustments to hospital rates under this section.

Subd. 5. [APPEAL RIGHTS.] Nothing in this section supersedes the contested case provisions of chapter 14, the administrative procedure act.

Subd. 6. [RULES.] The commissioner of public welfare shall promulgate temporary and permanent rules to implement a system of prospective payment for inpatient hospital services pursuant to chapter 14, the Administrative Procedure Act.

Sec. 10. Minnesota Statutes 1982, section 256B.02, subdivision 8, is amended to read:

Subd. 8. [MEDICAL ASSISTANCE; MEDICAL CARE.] "Medical assistance" or "medical care" means payment of part or all of the cost of the following care and services for eligible individuals whose income and resources are insufficient to meet all of such cost:

(1) *Inpatient hospital services. A second medical opinion is required prior to reimbursement for elective surgeries. The commissioner shall publish a proposed list of elective surgeries that require a second medical opinion prior to reimbursement in the State Register by July 1, 1983, and the public shall be given an opportunity to review and comment on the proposed list prior to implementation. The list is not subject to the requirements of chapter 14, the Administrative Procedure Act. The final list shall be published in the State Register and implemented by August 15, 1983.*

(2) *Skilled nursing home services and services of intermediate care facilities.*

(3) *Physicians' services.*

(4) *Outpatient hospital or non-profit community health clinic services or physician-directed clinic services. The physician-directed clinic staff shall include at least two physicians,*

one of whom is on the premises whenever the clinic is open, and all services shall be provided under the direct supervision of the physician who is on the premises.

Hospital outpatient departments shall be subject to the same limitations and reimbursements as other enrolled vendors for all services, except initial triage, emergency services and services not provided or immediately available in clinics, physicians' offices, or by other enrolled providers. "Emergency services" means those medical services required for the immediate diagnosis and treatment of medical conditions which, if not immediately diagnosed and treated, could lead to serious physical or mental disability or death or are necessary to alleviate severe pain. Neither the hospital, its employees, or any physician or dentist, shall be liable in any action arising out of a determination not to render emergency services or care if reasonable care is exercised in determining the condition of the person, or in determining the appropriateness of the facilities, the qualifications, and availability of personnel to render these services consistent with this section.

(5) Community mental health center services, as defined in rules adopted by the commissioner pursuant to section 256B.04, subdivision 2 and provided by a community mental health center as defined in section 245.62, subdivision 2.

((5)) (6) Home health care services.

((6)) (7) Private duty nursing services.

((7)) (8) Physical therapy and related services.

((8)) (9) Dental services, excluding cast metal restorations.

((9)) (10) Laboratory and x-ray services.

((10)) (11) The following if prescribed by a licensed practitioner: drugs, eyeglasses, dentures, and prosthetic devices. The commissioner shall designate a formulary committee which shall advise the commissioner on the names of drugs for which payment shall be made, recommend a system for reimbursing providers on a set fee or charge basis rather than the present system, and develop methods encouraging use of generic drugs when they are less expensive and equally effective as trademark drugs. The commissioner shall appoint the formulary committee members no later than 30 days following July 1, 1981. The formulary committee shall consist of nine members, four of whom shall be physicians who are not employed by the department of public welfare, and a majority of whose practice is for persons paying privately or through health insurance, three of whom shall be pharmacists who are not employed by the department of public welfare, and a majority of whose practice is for persons paying

privately or through health insurance, a consumer representative, and a nursing home representative. Committee members shall serve two year terms and shall serve without compensation. The commissioner may establish a drug formulary. Its establishment and publication shall not be subject to the requirements of the administrative procedure act, but the formulary committee shall review and comment on the formulary contents. *Prior authorization may be required by the commissioner, with the consent of the drug formulary committee, before certain formulary drugs are eligible for payment.* The formulary shall not include: *drugs or products for which there is no federal funding; over the counter drugs, except for antacids, acetaminophen, family planning products, aspirin, insulin, prenatal vitamins, and vitamins for children under the age of seven or any other over the counter drug identified by the commissioner, in consultation with the appropriate professional consultants under contract with or employed by the state agency, as necessary, appropriate and cost effective for the treatment of certain specified chronic diseases, conditions or disorders and such determination shall not be subject to the requirements of chapter 14, the Administrative Procedure Act; nutritional products, except for those products needed for treatment of phenylketonuria, hyperlysinemia, maple syrup urine disease, a combined allergy to human milk, cow milk, and soy formula, or any other childhood or adult diseases, conditions, or disorders identified by the commissioner as requiring a similarly necessary nutritional product; anorectics; and drugs for which medical value has not been established. Separate payment shall not be made for nutritional products for residents of long term care facilities; payment for dietary requirements is a component of the per diem rate paid to these facilities. Payment to drug vendors shall not be modified before the formulary is established except that the commissioner shall not permit payment for any drugs which may not by law be included in the formulary and his determination shall not be subject to chapter 14, the Administrative Procedure Act. The commissioner (MAY PROMULGATE) shall publish conditions for prohibiting payment for specific drugs after considering the formulary committee's recommendations.*

The basis for determining the amount of payment shall be the actual acquisition costs of the drugs plus a fixed dispensing fee established by the commissioner. Actual acquisition cost includes quantity and other special discounts except time and cash discounts. Establishment of this fee shall not be subject to the requirements of the administrative procedure act. Whenever a generically equivalent product is available, payment shall be on the basis of the actual acquisition cost of the generic drug, unless the prescriber specifically indicates "dispense as written" on the prescription as required by section 151.21, subdivision 2.

Notwithstanding the above provisions, implementation of any charge in the fixed dispensing fee which has not been subject to the administrative procedure act shall be limited to not more

than 180 days, unless, during that time, the commissioner shall have initiated rulemaking through the administrative procedure act.

((11)) (12) Diagnostic, screening, and preventive services.

((12)) (13) Health care pre-payment plan premiums and insurance premiums if paid directly to a vendor and supplementary medical insurance benefits under Title XVIII of the Social Security Act.

((13)) (14) Abortion services, but only if one of the following conditions is met:

(a) The abortion is a medical necessity. "Medical necessity" means (1) the signed written statement of two physicians indicating the abortion is medically necessary to prevent the death of the mother, and (2) the patient has given her consent to the abortion in writing unless the patient is physically or legally incapable of providing informed consent to the procedure, in which case consent will be given as otherwise provided by law;

(b) The pregnancy is the result of a criminal sexual conduct as defined in section 609.342, clauses (c), (d), (e) (i), and (f), and the incident is reported within 48 hours after the incident occurs to a valid law enforcement agency for investigation, unless the victim is physically unable to report the criminal sexual conduct, in which case the report shall be made within 48 hours after the victim becomes physically able to report the criminal sexual conduct; or

(c) The pregnancy is the result of incest, but only if the incident and relative are reported to a valid law enforcement agency for investigation prior to the abortion.

((14)) (15) Transportation costs incurred solely for obtaining emergency medical care or transportation costs incurred by non-ambulatory persons in obtaining emergency or non-emergency medical care when paid directly to an ambulance company, common carrier, or other recognized providers of transportation services. For the purpose of this clause, a person who is incapable of transport by taxicab or bus shall be considered to be non-ambulatory.

((15)) (16) To the extent authorized by rule of the state agency, costs of bus or taxicab transportation incurred by any ambulatory eligible person for obtaining non-emergency medical care.

((16)) (17) Any other medical or remedial care licensed and recognized under state law unless otherwise prohibited by law.

Sec. 11. Minnesota Statutes 1982, section 256B.04, subdivision 14, is amended to read:

Subd. 14. [COMPETITIVE BIDDING.] The commissioner shall utilize volume purchase through competitive bidding under the provisions of chapter 16, to provide the following items:

(1) Eyeglasses;

(2) *Oxygen. The commissioner shall provide for oxygen needed in an emergency situation on a short term basis, until the vendor can obtain the necessary supply from the contract dealer;*

(3) Hearing aids and supplies; and

((3)) (4) Durable medical equipment, including but not limited to:

(a) hospital beds;

(b) commodes;

(c) glide-about chairs;

(d) patient lift apparatus;

(e) wheelchairs and accessories;

(f) oxygen administration equipment;

(g) respiratory therapy equipment; and

(h) electronic diagnostic, therapeutic and life support systems.

Sec. 12. Minnesota Statutes 1982, section 256B.04, is amended by adding a subdivision to read:

Subd. 15. [UTILIZATION REVIEW.] *Establish on a statewide basis a program to safeguard against unnecessary or inappropriate use of medical assistance services, against excess payments, against unnecessary or inappropriate hospital admissions or lengths of stay, and against underutilization of services in pre-paid health plans, long term care facilities or any health care delivery system subject to fixed rate reimbursement. In implementing the program, the state agency shall utilize both pre-payment and post-payment review systems to determine if utilization is reasonable and necessary. The determination of whether services are reasonable and necessary shall be made by the commissioner in consultation with a professional services advisory group appointed by the commissioner. Determinations shall be*

binding on all parties, and shall not be subject to provisions of sections 14.57 to 14.62 or section 256.045.

Sec. 13. Minnesota Statutes 1982, section 256B.041, subdivision 2, is amended to read:

Subd. 2. [ACCOUNT.] An account is established in the state treasury from which medical assistance payments to vendors shall be made. Into (SUCH) *this* account there shall be deposited federal funds, state funds, *county funds*, and other moneys which are available and which may be paid to the state agency for medical assistance payments and reimbursements from counties or others for their share of such payments.

Sec. 14. Minnesota Statutes 1982, 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 regulation 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. The county's share of cost shall be ten percent of that portion not met by federal funds.

The county shall advance its portion of medical assistance costs, 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.

Sec. 15. Minnesota Statutes 1982, section 256B.06, subdivision 1, is amended to read:

Subdivision 1. [ELIGIBILITY FOR MEDICAL ASSISTANCE.] Medical assistance may be paid for any person:

(1) Who is a child eligible for or receiving adoption assistance payments under Title IV-E of the Social Security Act, (42 U.S.C. SECTIONS 670 TO 676) *United States Code, title 42, sections 670 to 676; or*

(2) Who is a child eligible for or receiving foster care maintenance payments under Title IV-E of the Social Security Act, (42 U.S.C. SECTIONS 670 TO 676) *United States Code, title 42, sections 670 to 676; or*

(3) Who is eligible for or receiving public assistance, or a woman who is pregnant, as medically verified, and who would be eligible for assistance under the aid to families with dependent children program if the child had been born and living with the woman; or

(4) Who is eligible for or receiving supplemental security income for the aged, blind and disabled; or

(5) Who except for the amount of income or resources would qualify for supplemental security income for the aged, blind and disabled, or aid to families with dependent children and is in need of medical assistance; or

(6) Who is under 21 years of age and in need of medical care that neither he nor his relatives responsible under sections 256B.-01 to 256B.26 are financially able to provide; or

(7) Who is residing in a hospital for treatment of mental disease or tuberculosis and is 65 years of age or older and without means sufficient to pay the per capita hospital charge; and

(8) Who resides in Minnesota, or, if absent from the state, is deemed to be a resident of Minnesota in accordance with the regulations of the state agency; and

(9) Who alone, or together with his spouse, does not own real property other than the homestead. For the purposes of this section, "homestead" means the house owned and occupied by the applicant as his dwelling place, together with the land upon which it is situated and an area no greater than two contiguous lots in a platted or laid out city or town or 80 contiguous acres in unplatted land. Occupancy or exemption shall be determined as provided in chapter 510 and applicable law, including continuing exemption by filing notice under section 510.07. Real estate not used as a home may not be retained unless it produces net income applicable to the family's needs or the family is making a continuing effort to sell it at a fair and reasonable price or unless sale of the real estate would net an insignificant amount of income applicable to the family's needs, or unless the commissioner determines that sale of the real estate would cause undue hardship; and

(10) Who individually does not own more than (\$2,000) \$3,000 in cash or liquid assets, or if a member of a household with two family members (husband and wife, or parent and child), does not own more than (\$4,000) \$6,000 in cash or liquid assets, plus \$200 for each additional legal dependent. *Cash and liquid assets may include a prepaid funeral contract and insurance policies with cash surrender value.* The value of the following shall not be included:

(a) the homestead, and (b) one motor vehicle licensed pursuant to chapter 168 and defined as: (1) passenger automobile, (2) station wagon, (3) motorcycle, (4) motorized bicycle or (5) truck of the weight found in categories A to E, of section 168.013, subdivision 1e; and

(11) Who has or anticipates receiving an annual income not in excess of \$2,600 for a single person, or \$3,250 for two family members (husband and wife, parent and child, or two siblings), plus \$625 for each additional legal dependent, or who has income in excess of these maxima and in the month of application, or during the three months prior to the month of application, incurs expenses for medical care that total more than one-half of the annual excess income in accordance with the regulations of the state agency. In computing income to determine eligibility of persons who are not residents of long term care facilities, the commissioner shall disregard increases in income of social security or supplementary security income recipients due solely to increases required by sections 215(i) and 1617 of the social security act, and shall disregard income of disabled persons that is also disregarded in determining eligibility for supplemental aid under section 256D.37, subdivision 1, unless prohibited by federal law or regulation. If prohibited, the commissioner shall first seek a waiver. In excess income cases, eligibility shall be limited to a period of six months beginning with the first of the month in which these medical obligations are first incurred; and

(12) Who has continuing monthly expenses for medical care that are more than the amount of his excess income, computed on a monthly basis, in which case eligibility may be established before the total income obligation referred to in the preceding paragraph is incurred, and medical assistance payments may be made to cover the monthly unmet medical need. In licensed nursing home and state hospital cases, income over and above that required for justified needs, determined pursuant to a schedule of contributions established by the commissioner of public welfare, is to be applied to the cost of institutional care. The commissioner of public welfare may establish a schedule of contributions to be made by the spouse of a nursing home resident to the cost of care and shall seek a waiver from federal regulations which establish the amount required to be contributed by either spouse when one spouse is a nursing home resident; and

(13) Who has applied or agrees to apply all proceeds received or receivable by him or his spouse from automobile accident coverage and private health care coverage to the costs of medical care for himself, his spouse, and children. The state agency may require from any applicant or recipient of medical assistance the assignment of any rights accruing under private health care coverage. Any rights or amounts so assigned shall be applied against the cost of medical care paid for under this chapter. Any assignment shall not be effective as to benefits paid or provided under automobile accident coverage and private health

care coverage prior to receipt of the assignment by the person or organization providing the benefits.

Sec. 16. Minnesota Statutes 1982, section 256B.061, is amended to read:

256B.061 [ELIGIBILITY.]

If any individual has been determined to be eligible for medical assistance, it will be made available to him for care and services included under the plan and furnished in or after the third month before the month in which he made application for such assistance, if such individual was, or upon application would have been, eligible for medical assistance at the time the care and services were furnished. *The commissioner may limit, restrict, or suspend the eligibility of an individual for up to one year upon that individual's conviction of a criminal offense related to his application for or receipt of medical assistance benefits.*

Sec. 17. Minnesota Statutes 1982, section 256B.064, subdivision 1a, is amended to read:

Subd. 1a. [GROUNDS FOR MONETARY RECOVERY AND SANCTIONS AGAINST VENDORS.] The commissioner may seek monetary recovery and impose sanctions against vendors of medical care for any of the following: fraud, theft, or abuse in connection with the provision of medical care to recipients of public assistance; a pattern of presentment of false or duplicate claims or claims for services not medically necessary; a pattern of making false statements of material facts for the purpose of obtaining greater compensation than that to which the vendor is legally entitled; suspension or termination as a Medicare vendor; and refusal to grant the state agency access during regular business hours to examine all records necessary to disclose the extent of services provided to program recipients. No sanction may be imposed or monetary recovery obtained against any vendor of nursing home or convalescent care for providing services not medically necessary when the services provided were ordered by a licensed health professional not an employee of the vendor. The determination of (ABUSE OR) services not medically necessary shall be made by the commissioner in consultation with a (REVIEW ORGANIZATION AS DEFINED IN SECTION 145.61 OR OTHER) provider advisory (COMMITTEES AS) *committee* appointed by the commissioner on the recommendation of appropriate professional organizations.

Sec. 18. Minnesota Statutes 1982, section 256B.064, subdivision 2, is amended to read:

Subd. 2. [PROCEDURES FOR MONETARY RECOVERY AND SANCTIONS.] The commissioner shall determine mone-

tary amounts to be recovered and the sanction to be imposed upon a vendor of medical care for conduct described by subdivision 1a. Neither a monetary recovery nor a sanction will be sought by the commissioner without prior notice and an opportunity for a hearing, pursuant to (CHAPTER 14) *section 256.045*, on the commissioner's proposed action, provided that the commissioner may suspend or reduce payment to a vendor of medical care, except a nursing home or convalescent care facility, prior to the hearing if in the commissioner's opinion that action is necessary to protect the public welfare and the interests of the program.

Sec. 19. Minnesota Statutes 1982, section 256B.07, is amended to read:

256B.07 [EXCEPTIONS IN DETERMINING RESOURCES.]

A local agency may, within the scope of regulations set by the commissioner of public welfare, waive the requirement of liquidation of excess assets when the liquidation would cause undue hardship. Household goods and furniture in use in the home, wearing apparel, (INSURANCE POLICIES WITH CASH SURRENDER VALUE NOT IN EXCESS OF \$1,500 PER INSURED PERSON,) personal property used as a regular abode by the applicant or recipient, (A PREPAID FUNERAL CONTRACT NOT IN EXCESS OF \$750 PER PERSON PLUS ACCRUED INTEREST OF NOT MORE THAN \$200,) and a lot in a burial plot shall not be considered as resources available to meet medical needs.

Sec. 20. Minnesota Statutes 1982, section 256B.14, subdivision 2, is amended to read:

Subd. 2. [ACTIONS TO OBTAIN PAYMENT.] The state agency shall promulgate rules to determine the ability of responsible relatives to contribute partial or complete repayment of medical assistance furnished to recipients for whom they are responsible. *In determining the resource contribution of a spouse at the time of the first medical assistance application, all medical assistance exclusions shall be allowed, and a resource limit of \$10,000 for nonexcluded resources shall be implemented. Above these limits, a contribution of one-third of the excess resources shall be required.* These rules shall not require repayment when payment would cause undue hardship to the responsible relative or his or her immediate family. The county agency shall give the responsible relative notice of the amount of the repayment. If the state agency or county agency finds that notice of the payment obligation was given to the responsible relative, but that the relative failed or refused to pay, a cause of action exists against the responsible relative for that portion of medical assistance granted after notice was given to the responsible relative, which the relative was determined to be able to pay.

The action may be brought by the state agency or the county agency in the county where assistance was granted, for the assistance, together with the costs of disbursements incurred due to the action.

In addition to granting the county or state agency a money judgment, the court may, upon a motion or order to show cause, order continuing contributions by a responsible relative found able to repay the county or state agency. The order shall be effective only for the period of time during which the recipient receives medical assistance from the county or state agency.

Sec. 21. Minnesota Statutes 1982, section 256B.17, is amended by adding a subdivision to read:

Subd. 5. [EXCEPTION FOR ASSET TRANSFERS.] Notwithstanding the provisions of subdivisions 1 through 4, an institutionalized spouse who applies for medical assistance on or after July 1, 1983, may transfer liquid assets to his or her noninstitutionalized spouse without loss of eligibility if all of the following conditions apply:

(a) The noninstitutionalized spouse is not applying for or receiving assistance;

(b) The noninstitutionalized spouse has less than \$10,000 in liquid assets, including assets singly owned and 50 percent of assets owned jointly with the institutionalized spouse;

(c) The amount transferred, together with the noninstitutionalized spouse's own assets, totals no more than \$10,000 in liquid assets; and

(d) The transfer may be effected only once, at the time of initial medical assistance application.

Sec. 22. Minnesota Statutes 1982, section 256B.27, subdivision 3, is amended to read:

Subd. 3. [COMMISSIONER'S ACCESS TO MEDICAL RECORDS.] The commissioner of public welfare, with the written consent of the recipient, *on file with the county welfare office*, shall be allowed access to all personal medical records of medical assistance recipients solely for the purposes of investigating whether or not: (a) a vendor of medical care has submitted a claim for reimbursement, a cost report or a rate application which the vendor knows to be false in whole or in part; or (b) the medical care was medically necessary. The vendor of medical care shall receive notification from the commissioner at least 24 hours before the commissioner gains access to such records. The determination of (ABUSE OR) provision of services not medically necessary shall be made by the commissioner in consultation with (A REVIEW ORGANIZATION AS DEFINED IN SECTION 145.61 OR OTHER) *an*

advisory (COMMITTEES) *committee* of vendors as appointed by the commissioner on the recommendation of appropriate professional organizations. Notwithstanding any other law to the contrary, a vendor of medical care (SHALL NOT BE) *is not* subject to any civil or criminal liability for providing access to medical records to the commissioner of public welfare pursuant to this section.

Sec. 23. Minnesota Statutes 1982, section 256B.27, subdivision 4, is amended to read:

Subd. 4. [AUTHORIZATION OF COMMISSIONER TO EXAMINE RECORDS.] (NO) A person (SHALL) *determined to be eligible for medical assistance (UNLESS HE HAS) shall be deemed to have* authorized the commissioner of public welfare in writing to examine all personal medical records developed while receiving medical assistance for the purpose of investigating whether or not a vendor has submitted a claim for reimbursement, a cost report or a rate application which the vendor knows to be false in whole or in part, or in order to determine whether or not the medical care provided was medically necessary. (A VENDOR OF MEDICAL CARE SHALL REQUIRE PRESENTATION OF THIS WRITTEN AUTHORIZATION BEFORE THE STATE AGENCY CAN OBTAIN ACCESS TO THE RECORDS UNLESS THE VENDOR ALREADY HAS RECEIVED WRITTEN AUTHORIZATION.)

Sec. 24. Minnesota Statutes 1982, section 256D.03, subdivision 4, is amended to read:

Subd. 4. [GENERAL ASSISTANCE MEDICAL CARE.] (a) Notwithstanding the provisions of sections 256D.01 to 256D.21 and 261.23, or any other law to the contrary, for the biennium ending (JUNE 30, 1983) *June 30, 1985*, state aid shall be paid to local agencies or counties for 90 percent of general assistance medical care paid by the local agency or county on behalf of persons eligible for general assistance or persons meeting the income and resource criteria established in the program for aid to families with dependent children. Nothing in this provision shall be construed to modify the spenddown required in appropriate cases for general assistance medical care. Reimbursement for medical care provided under sections 256D.01 to 256D.21 or 261.23 shall be limited to the following categories of service only: inpatient hospital care (,); outpatient hospital care (,); prescription drugs, physician's services, medical transportation, and dental care. In addition, payments of state aid shall be made for day treatment services provided by a mental health center established under sections 245.61 to 245.69, subdivision 1, and funded through chapter 256E and for prescribed medications for persons who have been diagnosed as mentally ill as necessary to prevent more restrictive institutionalization.

(b) At the option of the county board and with the approval of the commissioner of public welfare, reimbursement for inpatient hospital care, outpatient hospital care, and prescription drugs may be limited to designated medical care providers.

(c) The commissioner of public welfare may reduce payments provided under sections 256D.01 to 256D.21 and 261.23 in order to remain within the amount appropriated for general assistance medical care, within the following restrictions. Reductions below the cost per service unit allowable under section 256.966, shall be permitted only as follows: payments for inpatient and outpatient hospital care provided in response to a primary diagnosis of chemical dependency or mental illness may be reduced no more than 45 percent; payments for all other inpatient hospital care may be reduced no more than 35 percent. Reductions below the payments allowable under section 256.967 for the remaining general assistance medical care services allowable under this provision may be reduced no more than 25 percent.

(d) If the commissioner or county refuses to pay all or part of the charge for a health service, they shall not be liable for the unpaid portion of the charge. Any county may, from its own resources, provide medical payments for which state payments are not made.

Sec. 25. Minnesota Statutes 1982, section 256D.03, is amended by adding a subdivision to read:

Subd. 5. [CERTAIN LOCAL AGENCIES TO PAY STATE FOR COUNTY SHARE.] The local agencies that contract with the commissioner of public welfare for state administration of general assistance medical care payments shall make payment to the state for the county share of those payments in the manner described for medical assistance advances in section 256B.041, subdivision 5.

Sec. 26. [EFFECTIVE DATE.]

Sections 1, 2, 4, 8, 9, 10, 12, 16, 17, 18, 22, and 23 are effective the day following final enactment.

Section 20 is effective for new applications for medical assistance taken on or after July 1, 1983.

Sections 13, 14 and 25 are effective January 1, 1984.

ARTICLE 5

JOBS PROGRAMS

Section 1. [268A.01] [PURPOSE.]

The prolonged recession has caused hardship for thousands of people in the state and has undermined the strength of Minnesota's economy. To address the social consequences of long-term unemployment and resulting poverty, this act seeks to create meaningful employment opportunities which provide workers income sufficient to meet basic needs, and to assure basic necessities to people who cannot work. To serve these purposes this act provides:

(a) For a small business job creation incentive program to provide training; create jobs, and facilitate economic development in Minnesota by providing job creation incentives to small business employers in the private sector;

(b) For a public service jobs program to provide meaningful employment and a liveable wage to workers in the event that the private sector jobs program does not create enough jobs to meet the needs of all qualified workers, and to provide a means for persons who would otherwise be receiving general assistance grants to earn more than these grants would provide; and

(c) For a program of grants and allowances to provide for the basic needs of persons who are not able to find work through any means, including the programs created by this act.

Sec. 2. [268A.02] [DEFINITIONS.]

Subdivision 1. [SCOPE.] Each term defined in this section has the meaning given it whenever used in this section or in article 1 or 2, unless the context clearly indicates otherwise.

Subd. 2. [BUSINESS REVIEW COMMITTEE.] "Business review committee" means a group of seven persons appointed by the private industry council for each service delivery area under the Job Training Partnership Act, Statutes at Large volume 92, page 1322. The committee shall be composed of: four representatives of the business community; one representative of a government or nonprofit job training or placement agency; one representative of a labor organization certified under state or federal law; and one representative of community based nonprofit organizations representing economically disadvantaged people. The program administrator may designate a business review committee to serve until the private industry council appoints a business review committee.

Subd. 3. [COMMISSIONER.] "Commissioner" means the commissioner of economic security.

Subd. 4. [DEPARTMENT.] "Department" means the department of economic security.

Subd. 5. [ELIGIBLE NONPROFIT AGENCY.] "Eligible nonprofit agency" means an organization exempt from taxation under the Internal Revenue Code of 1954, section 501(c)(3), as amended through December 31, 1982.

Subd. 6. [ELIGIBLE SMALL BUSINESS.] "Eligible small business" means a business with 500 or fewer full-time employees, whose primary place of business is in Minnesota.

Subd. 7. [ELIGIBLE JOB APPLICANT.] "Eligible job applicant" means a person who is a member of a household in which every person other than a child of the applicant (1) is unemployed; and (2) is not receiving unemployment compensation or workers' compensation. However, a person who is employed under the public service jobs program created under this act shall still be eligible to be employed for the maximum time permitted under the small business jobs program.

Subd. 8. [GRANTS ADMINISTRATOR.] "Grants administrator" means the commissioner of economic security.

Subd. 9. [LOCAL AGENCY.] "Local agency" has the meaning assigned to it in section 256D.02, subdivision 12.

Subd. 10. [PROGRAM ADMINISTRATOR.] "Program administrator" means an entity designated by the commissioner of economic security. The commissioner may designate (a) the entity in a service delivery area, as determined by the governor, which is responsible for the Job Training Partnership Act; or (b) a job training or placement agency with proven effectiveness. The commissioner may designate more than one program administrator in a service delivery area.

Subd. 11. [JOB TRAINING PARTNERSHIP ACT.] "Job Training Partnership Act" means the Federal Job Training Partnership Act of 1982, Statutes at Large, volume 92, page 1322.

Subd. 12. [SERVICE DELIVERY AREA.] "Service delivery area" means an area designated as a service delivery area under the Job Training Partnership Act.

Sec. 3. [268A.03] [ALLOCATION OF FUNDS.]

(a) Eighty percent of the funds available for allocation to program administrators for the small business job creation incentives program and all of the funds available for allocation to program administrators under the public service jobs program shall be allocated among service delivery areas as follows: each service delivery area shall be eligible to receive that proportion of the funds available which equals the number of unemployed persons in the service delivery area divided by the total

number of unemployed persons in the state for the 12-month period ending the most recent March 31.

(b) Twenty percent of the funds available for allocation to program administrators under the small business job creation incentives program shall be allocated at the discretion of the grants administrator to program administrators:

(1) who will maximize the use of the funds through coordination with other programs and state, local, and federal agencies, through the use of matching funds or through the involvement of low-income constituent groups;

(2) who have demonstrated need beyond the allocation available under clause (1); or

(3) who have demonstrated outstanding performance in job creation.

(c) The grants administrator shall not disburse funds to a program administrator until the program administrator has submitted an application to the grants administrator documenting that the funds will be used in the manner required by this act. The grants administrator shall approve or disapprove all applications based on the criteria established in this act.

Sec. 4. [268A.04] [ALLOCATION WITHIN SERVICE DELIVERY AREA.]

Subdivision 1. [SMALL BUSINESS ELIGIBILITY.] Allocation of funds available under the small business job creation incentives program among eligible small businesses within a service delivery area shall be determined by the business review committee in each service delivery area. The business review committee may delegate duties under this section to a program administrator under policy guidelines established by the committee. Funds shall be disbursed only pursuant to a written contract between the program administrator and the business. This agreement shall contain assurances that:

(a) Funds received by a business shall be used only as permitted under this act;

(b) The business has submitted a financial plan to the review committee demonstrating that, with the funds provided under this section, the business is likely to succeed and continue to employ persons hired under the job creation incentives program;

(c) The business will use funds exclusively for wages and benefits for persons from the pool of applicants referred by the program administrator;

(d) *The business will pay persons employed with funds provided under this section at the usual and customary wage, and that the business will provide employees hired with these funds the same fringe benefits and other terms and conditions of employment as other employees of the business who do comparable work;*

(e) *The incentive funds are necessary to allow the business to begin, or to employ additional people;*

(f) *The business will cooperate with all relevant groups in collecting data to assess the results of the job creation incentives program;*

(g) *The business has submitted a plan to the administrator describing the duties and proposed compensation of each employee proposed to be hired under the job creation incentives program;*

(h) *The business will not terminate, lay off, or reduce the working hours of an employee for the purpose of hiring an individual with funds available under this act. Also, the business shall not hire an individual with funds available under this act if any other person is on layoff from the same or a substantially equivalent job; and*

(i) *The business will not use funds in a manner that violates an applicable collective bargaining agreement.*

Subd. 2. [PRIORITIES.] *In selecting businesses which are eligible under subdivision 1, the business review committee shall give priority to businesses which have a record of growth, or potential for future growth and job creation, are labor intensive, and meet the definition of a small business as defined in section 645.445.*

Subd. 3. [LIMITS.] *A maximum of \$5 per hour for each person hired with funds available under the small business jobs program may be disbursed under this section for a maximum of 1,040 hours over no more than 26 weeks per employee.*

Sec. 5. [268A.05] [PAYBACK.]

A business receiving funds under this program shall repay funds according to the following schedule: for each person employed for less than one year the business shall repay 70 percent of the amount initially received, without interest. The business shall repay 50 percent of the amount initially received, without interest, for each person employed more than one year and less than two years. The business shall repay 33 percent of the amount initially received, without interest, for each person employed more than two years. If an employer dismisses an em-

ployee for good cause and works in good faith with the program administrator to employ and train another person referred by the program administrator, the payback schedule shall be continued as if the original person had continued in employment.

Beginning one year after a business receives funds from the program administrator, the business shall begin to make payments. Payments shall be according to a schedule agreed to by the program administrator and the business prior to the disbursement of the funds. The schedule may be modified by mutual agreement of the parties. However, payments shall be completed within three years of the initial disbursement of funds. The program administrator shall forward payments received under this section to the grants administrator on a monthly basis. The grants administrator shall deposit these payments in the small business job creation incentives program revolving account.

Sec. 6. [268A.06] [PROGRAM ADMINISTRATOR.]

Subdivision 1. [APPLICANTS.] The program administrators in each service delivery area shall publicize the small business job creation incentives program and accept and screen job applications. The program administrator shall refer qualified eligible applicants to businesses which have received the approval of the business review committee.

Subd. 2. [CHILD CARE.] The program administrator shall advise each eligible job applicant of the availability of licensed day care listings and subsidies. Each person hired full time under the job creation incentives program shall be provided with lists of locally available licensed day care sites. The program administrator may contract with an existing agency to provide this service. A subsidy for payment of child-care costs shall be provided by the program administrator to those persons determined eligible pursuant to standards determined by the commissioner. This section is exempt from the rulemaking provisions of chapter 14, the Administrative Procedure Act.

Subd. 3. [OTHER RESOURCES.] The program administrator shall publicize the resources of local educational and training programs to aid applicants in receiving training needed to qualify for jobs which are available under the program.

Subd. 4. [AID TO BUSINESSES.] The program administrator shall assist businesses in completing the forms, and other prerequisites for participation in the program.

Sec. 7. [268A.07] [WORK INCENTIVE DEMONSTRATION PROJECT.]

Subdivision 1. In order to maximize the opportunity for recipients of aid to families with dependent children to take full

advantage of the jobs created by sections 1 to 11, the commissioner of public welfare shall inform each applicant or recipient of the availability of this program.

Subd. 2. In addition, the commissioner shall make changes in the state plan and rules or seek any waivers or demonstration authority as necessary to minimize the barriers to participation in the programs or to employment. Changes shall be sought in the following areas including, but not limited to: allowances, child care, work expenses, the amount and duration of earning incentives, medical care coverage, limitations on the hours of employment, and the diversion of payments to wage subsidies. The commissioner shall implement each change as soon as possible.

Subd. 3. Persons required to register for the work incentive program under section 256.736 or with job services shall be referred to the small business job creation incentives program for the required orientation, appraisal, and job search activities.

Subd. 4. Participants shall receive medical assistance and other benefits provided under the aid to families with dependent children program according to the applicable standards and any authority granted by the department of health and human services.

Subd. 5. The commissioner of public welfare may adopt rules, including temporary rules for the implementation of this section.

Sec. 8. [268A.08] [PUBLIC SERVICE JOBS PROGRAMS.]

Subdivision 1. [PROJECTS.] The commissioner shall allocate the funds available for public service jobs to program administrators according to section 3. The program administrators shall allocate these funds to state agencies, counties, cities, towns, school districts, and nonprofit agencies that sponsor public service jobs. The sponsoring unit shall provide the administration, supervision, supplies, and materials for all jobs.

Subd. 2. [PERMISSIBLE EXPENDITURES.] All money appropriated for jobs under this program shall be expended for wages and benefits for eligible job applicants, except as provided in section 11.

Subd. 3. [WAGES.] A maximum of \$5 per hour for a maximum of 1,040 hours for each person hired under this section may be disbursed to a sponsoring unit of government or nonprofit agency.

Subd. 4. [LIMITS.] The sponsoring unit of a government or nonprofit agency may not terminate, lay off, or reduce the

working hours of an employee for the purpose of hiring an individual with funds available under this section. The sponsoring unit may not hire an individual with funds available under this act if any other person is on layoff from the same or a substantially equivalent job.

Subd. 5. [EMPLOYER CERTIFICATION.] In order to qualify as an eligible employer, a government or nonprofit agency must certify to the program administrator that each job created and funded under this section:

(1) will result in an increase in employment opportunities over those which would otherwise be available;

(2) will not result in the displacement of currently employed workers, including partial displacement such as reduction in hours of nonovertime work, wages, or employment benefits; and

(3) will not impair existing contracts for service or result in the substitution of program funds for other funds in connection with work that would otherwise be performed.

Sec. 9. [268A.09] [RULES.]

The commissioner of economic security may adopt rules necessary to implement this article. These rules are not subject to chapter 14, the Administrative Procedure Act.

Sec. 10. [268A.10] [SMALL BUSINESS JOB CREATION INCENTIVES PROGRAM REVOLVING ACCOUNT.]

The small business creation incentives program revolving account is established in the state treasury. All payments from businesses pursuant to section 5 shall be deposited in this account, and all funds in the account are annually appropriated to the commissioner of economic security for the purpose of making disbursements pursuant to section 3.

Sec. 11. [USE OF FUNDS.]

To the extent permissible under federal law, the commissioner of economic security shall use funds available under the Job Training Partnership Act to fund the small business job creation incentives program. The commissioner may also apply for gifts and grants, including matching grants, for the program, and shall deposit funds received in the revolving account. Gift and grant funds may be distributed as specified by the person making the gift or grant. This sum shall be available until June 30, 1985. It is the intent of the legislature that the commissioner give priority to using these funds and funds appropriated by the legislature for private sector jobs to the extent that eligible small businesses apply for funds. The commissioner shall make

an initial determination of the amount that she believes can be used under the small business job creation incentive program. Remaining funds may be used for public service jobs, as provided in section 8. The commissioner's initial allocation of funds between private and public sector jobs programs shall be submitted to the legislative advisory commission prior to July 1, 1983, and approved by the governor according to section 3.30 prior to taking effect. The commissioner may amend her initial determination, and shift funds between the public and private sector jobs program as necessary to maximize employment opportunities, while giving priority to private sector jobs. The amended allocation shall be submitted to the legislative advisory commission and approved by the governor according to section 3.30 prior to taking effect. In allocating funds to program administrators, the commissioner shall specify what proportion of the funds may be used for public service jobs. Ninety-eight percent of the amount appropriated from the general fund shall be disbursed to program administrators according to sections 3 and 8. The remaining two percent shall be used by the commissioner for administrative purposes. Of the funds disbursed to each program administrator at least 80 percent shall be disbursed to qualifying businesses under section 4 or to sponsors of public service jobs under section 8. Up to five percent may be disbursed to the program administrators for administrative purposes. Up to 15 percent may be disbursed to the program administrators for provision of child-care information and subsidies pursuant to section 6, and for provision of other support services to persons employed under the small business job creation incentives program.

By October 1, 1984, the program administrator of each service delivery area shall submit to the grants administrator a spending plan establishing that funds allocated to the service delivery area will be used by July 1, 1985, in the manner required by sections 1 to 10. Any funds allocated to the service delivery area for which there is no spending plan approved by the grants administrator shall cancel back to the commissioner of economic security on November 1, 1984, and may be reallocated by the grants administrator to other program administrators.

ARTICLE 6

GRANT AND ALLOWANCE PROGRAMS

Section 1. Minnesota Statutes 1982, section 13.46, subdivision 2, is amended to read:

Subd. 2. [GENERAL.] Unless the data is summary data or a statute specifically provides a different classification, data on individuals collected, maintained, used or disseminated by the welfare system is private data on individuals, and shall not be disclosed except:

- (a) Pursuant to section 13.05;
- (b) Pursuant to a valid court order;
- (c) Pursuant to a statute specifically authorizing access to the private data;
- (d) To an agent of the welfare system, including appropriate law enforcement personnel, who are acting in the investigation, prosecution, criminal or civil proceeding relating to the administration of a program;
- (e) To personnel of the welfare system who require the data to determine eligibility, amount of assistance, and the need to provide services of additional programs to the individual;
- (f) To administer federal funds or programs; or
- (g) Between personnel of the welfare system working in the same program; or
- (h) *To the Minnesota department of economic security for the purpose of monitoring the eligibility of the data subject for unemployment compensation or for any employment or training program administered by that agency, whether alone or in conjunction with the welfare system.*

Sec. 2. Minnesota Statutes 1982, section 268.12, subdivision 12, is amended to read:

Subd. 12. [INFORMATION.] Except as hereinafter otherwise provided, data gathered from any employing unit, employer or individual pursuant to the administration of sections 268.03 to 268.24, and from any determination as to the benefit rights of any individual shall be private data on individuals or nonpublic data not on individuals as defined in section 13.02, subdivisions 9 and 12 and shall not be disclosed except pursuant to this subdivision or pursuant to a valid court order. This private data may be disseminated to and used by the following agencies without the consent of the subject of the data:

- (a) State and federal agencies specifically authorized access to the data by state or federal law;
- (b) Any agency of this or any other state; or any federal agency charged with the administration of an employment security law or the maintenance of a system of public employment offices;
- (c) Local human rights groups within the state which have enforcement powers;

(d) The Minnesota department of revenue on an interchangeable basis with the department of economic security subject to the following restrictions and notwithstanding any law to the contrary:

(1) The department of revenue may have access to department of economic security data on individuals and employing units only to the extent necessary for proper enforcement of tax laws; and

(2) The department of economic security may have access to department of revenue data pertaining only to individuals who have claimed benefits under sections 268.03 to 268.24 and only if the individuals are the subject of investigations based on other information available to the department of economic security. The data provided by the department of revenue shall be limited to the amount of gross income earned by an individual, the total amount of earnings from each employer and the employers' names. Upon receipt of the data, the department of economic security may not disseminate the data to any individual or agency except in connection with a prosecution for violation of the provisions of sections 268.03 to 268.24. This clause shall not be construed to be a restriction on the exchange of information pertaining to corporations or other employing units to the extent necessary for the proper enforcement of this chapter;

(e) Public and private agencies responsible for administering publicly financed assistance programs for the purpose of monitoring the eligibility of the program's recipients;

(f) The department of labor and industry for the purpose of determining the eligibility of the data subject;

(g) Local and state welfare agencies for monitoring the eligibility of the data subject for assistance programs, *or for any employment or training program administered by those agencies, whether alone, in combination with another welfare agency, or in conjunction with the department of economic security;* and

(h) Local, state and federal law enforcement agencies for the sole purpose of ascertaining the last known address and employment location of the data subject, provided the data subject is the subject of a criminal investigation.

Data on individuals, employers, and employing units which are collected, maintained, or used by the department in an investigation pursuant to section 268.18, subdivision 3 are confidential as to data on individuals and protected nonpublic data as defined in section 13.02, subdivisions 3 and 13 as to nonindividual employers and employing units, and shall not be disclosed except pursuant to statute or valid court order or to a party named in a criminal proceeding, administrative or judicial, for preparation of a defense.

Data on individuals, employers, and employing units which are collected, maintained, or used by the department in the adjudication of a separation or eligibility issue pursuant to the administration of section 268.10, subdivision 2 are confidential as to data on individuals and protected nonpublic data as to non-individual employers and employing units as defined in section 13.02, subdivisions 3 and 13 and shall not be disclosed except pursuant to the administration of section 268.10, subdivisions 3 to 8 or pursuant to a valid court order.

Aggregate data about employers compiled from individual job orders placed with the department of economic security are non-public data as defined in section 13.02, subdivision 9 if the commissioner determines that divulging the data would result in disclosure of the identity of the employer. The general aptitude test battery and the nonverbal aptitude test battery as administered by the department are also classified as nonpublic data.

Data on individuals collected, maintained or created because an individual applies for benefits or services provided by the energy assistance and weatherization programs administered by the department of economic security is private data on individuals and shall not be disseminated except pursuant to section 13.05, subdivisions 3 and 4.

Data gathered by the department pursuant to the administration of sections 268.03 to 268.24 shall not be made the subject or the basis for any suit in any civil proceedings, administrative or judicial, unless the action is initiated by the department.

Sec. 3. Minnesota Statutes 1982, section 256D.01, subdivision 1, is amended to read:

Subdivision 1. [OBJECTIVES AND POLICY OF GENERAL ASSISTANCE.] The objectives of sections 256D.01 to 256D.21 are to provide a sound administrative structure for public assistance programs; to maximize the use of federal funds for public assistance purposes; and to provide an integrated public assistance program for *all* those persons in the state (MEETING THE ELIGIBILITY CRITERIA CONTAINED IN THIS CHAPTER) *without adequate income or resources to maintain a subsistence reasonably compatible with decency and health.*

It is hereby declared to be the policy of this state that persons unable to provide for themselves and not otherwise provided for by law and who meet the eligibility requirements of sections 256D.01 to 256D.21 shall be entitled to receive such grants of general assistance (, WITHIN THE TIME LIMITS SET FORTH IN THIS CHAPTER) as may be necessary to maintain a subsistence reasonably compatible with decency and health. The furnishing of such assistance and services is a matter of public concern and a necessity in promoting the public health and welfare.

A principal objective in providing general assistance shall be to provide for persons ineligible for federal programs who are unable to provide for themselves. To achieve these aims, the commissioner shall establish minimum standards of assistance for general assistance. The minimum standard for cash payments to recipients shall be: as to shelter and utilities, 100 percent of the actual need or state standards therefor, subject to the maximum established for shelter in the aid to the blind, aid to the disabled, and old age assistance programs in December, 1973; and as to other budgetary items, 50 percent, of those established for said items in the aid to the blind, aid to the disabled, and old age assistance programs in December, 1973. The minimum standards of assistance shall authorize the payment of rates negotiated by local agencies for recipients living in a room and board arrangement. In order to maximize the use of federal funds, the commissioner shall (PROMULGATE REGULATIONS) *adopt rules*, to the extent permitted by federal law for eligibility for the emergency assistance program under aid to families with dependent children, and under the terms of sections 256D.01 to 256D.21 for general assistance, to require the use of the emergency program under aid to families with dependent children as the primary financial resource when available. The commissioner shall provide by (REGULATION) *rule* for the eligibility for general assistance of persons with seasonal income, and may attribute seasonal income to other periods not in excess of one year from receipt by an applicant or recipient.

Sec. 4. Minnesota Statutes 1982, section 256D.02, subdivision 4, is amended to read:

Subd. 4. [GENERAL ASSISTANCE.] "General assistance" means cash payments to persons unable to provide themselves with a reasonable subsistence compatible with decency and health and who are not otherwise provided for under the laws of this state or the United States. It shall include cash payments for goods, shelter, fuel, food, clothing, light, necessary household supplies, and personal need items. General assistance shall not include payments for foster care, child welfare services, or other social services. Vendor payments *and vouchers* may be (MADE) *issued* only as provided for in section 256D.09.

Sec. 5. Minnesota Statutes 1982, section 256D.02, is amended by adding a subdivision to read:

Subd. 8a. [JOBS PROGRAM ALLOWANCE.] *An allowance received pursuant to section 13 is unearned income under subdivision 8.*

Sec. 6. Minnesota Statutes 1982, section 256D.05, subdivision 1a, is amended to read:

Subd. 1a. [TEMPORARY STANDARDS.] Notwithstanding the provisions of subdivision 1, from March 24, 1982 until

(JUNE) *September 30, 1983*, each person or family whose income and resources are less than the standard of assistance established by the commissioner, and who is not eligible for the federally aided assistance programs of emergency assistance or aid to families with dependent children, or any successor to those programs, shall be eligible for and entitled to general assistance if the person or family is:

(a) A person who is suffering from a permanent or temporary illness, injury, or incapacity which is both medically certified and prevents the person from engaging in suitable employment, and who, if the medical certification establishes that the illness, injury, or incapacity is temporary and recommends a reasonable plan for rehabilitation, is following the plan;

(b) A person whose presence in the home on a substantially continuous basis is required because of the certified illness or incapacity of another member of the household;

(c) A person who has been placed in a licensed or certified facility for purposes of physical or mental health or rehabilitation, if the placement is based on illness or incapacity, and is pursuant to a plan developed or approved by the local agency through its director or designated representative;

(d) A person who resides in a shelter facility described in subdivision 3;

(e) A person who is or may be eligible for displaced homemaker services, programs, or assistance under section 4.40. In determining eligibility of the person for general assistance, income received as a stipend shall be disregarded as provided in section 4.40;

(f) A person who is unable to secure suitable employment due to inability to communicate in the English language, and who, if assigned to a language skills program by the local agency, is participating in that program;

(g) A person not described in clause (a) or (c) who is diagnosed by a licensed physician or licensed consulting psychologist as mentally ill or mentally retarded;

(h) A person who is unable to secure suitable employment due to a lack of marketable skills and who, if assigned to a vocational counseling, vocational rehabilitation, or work training program by the local agency, is participating in that program. Eligibility for general assistance under clause (h) is limited to five weeks per calendar year;

(i) A person who has an application pending for the program of supplemental security income for the aged, blind and

disabled or has been terminated from that program and has an appeal from that termination pending, and who has executed an interim assistance authorization agreement pursuant to the provisions of section 256D.06, subdivision 5; or

(j) A person who is unable to secure suitable employment because his advanced age significantly affects his ability to engage in substantial work. This clause is effective January 1, 1983.

This subdivision is repealed (JULY 1) *October 1, 1983.*

Sec. 7. Minnesota Statutes 1982, section 256D.06, subdivision 5, is amended to read:

Subd. 5. [ELIGIBILITY FOR OTHER BENEFITS; INTERIM ASSISTANCE.] Any applicant, otherwise eligible for general assistance and possibly eligible for maintenance benefits from any other source shall be obligated to (a) make application for those benefits within 30 days of the general assistance application; and (b) execute an interim assistance authorization agreement on a form as directed by the commissioner. If found eligible for benefits from other sources, and a payment received from another source relates to the period during which general assistance was also being received, the recipient shall be required to reimburse the local agency for the interim assistance paid. Reimbursement shall not exceed the amount of general assistance paid during the time period to which the other maintenance benefits apply and shall not exceed the state standard applicable to that time period. *The commissioner shall adopt rules, and may adopt temporary rules, authorizing local agencies to retain from the amount recovered under an interim assistance agreement 25 percent plus actual reasonable costs of litigation and disbursements when the agency has provided special assistance to the recipient in processing the recipient's claim for maintenance benefits from other sources. The funds retained under this section shall be from the state share of the recovery. The local agency may contract with qualified persons for special assistance. The rules adopted by the commissioner shall include the methods by which local agencies shall identify, refer, and assist recipients who may be eligible for benefits under the federal programs for the disabled.* This (PROVISION) subdivision shall not require repayment of per diem payments made to shelters for battered women pursuant to section 256D.05, subdivision 3.

Sec. 8. Minnesota Statutes 1982, section 256D.09, subdivision 2, is amended to read:

Subd. 2. [RULES FOR RECIPIENTS UNABLE TO MANAGE GRANTS.] Notwithstanding the provisions of subdivision 1, the commissioner shall provide by rule (AND REGULATION), *and is authorized to adopt temporary rules, for*

situations in which *vouchers and vendor payments* may be (MADE) issued by local agencies because of the inability of the recipient to manage his general assistance grant for his own or family's benefit.

Sec. 9. Minnesota Statutes 1982, section 256D.09, is amended by adding a subdivision to read:

Subd. 3. [GRANT DIVERSION AGREEMENTS.] Notwithstanding any other provision of sections 256D.01 to 256D.21, the commissioner of public welfare may provide by rule for the payment of all or a part of a recipient's grant pursuant to a grant diversion agreement entered into by the commissioner of public welfare with the commissioner of economic security. Any rule adopted by the commissioner shall establish the maximum and minimum length of grant diversion agreements, and shall provide that any grant diversion agreement entered into provide that the recipient be paid at least the usual and customary wage, and that the total of the net monthly wages paid the recipient and any part of the grant retained by the recipient be at least 150 percent of the recipient's monthly grant. During the term of the grant diversion agreement, the recipient shall retain his full general assistance medical care benefits to the extent that medical care coverage is not provided by his employer.

Sec. 10. [256D.111] [REGISTRATION FOR WORK; DISQUALIFICATION.]

Subdivision 1. [REGISTRATION REQUIREMENT.] Unless exempt in accordance with the provisions of subdivision 2, an adult who is a recipient of general assistance and who is not employed is required to register for employment services with the department of economic security; comply with reasonable reporting and job search requirements, as prescribed by permanent or temporary rule; and to accept any offer of suitable employment.

Subd. 2. [EXEMPTIONS.] A recipient is not required to register for employment services with the department of economic security and comply with the other requirements of subdivision 1 if he is:

(a) a person who is suffering from a permanent or temporary illness, injury, or incapacity which is medically certified and which prevents the person from obtaining or retaining employment;

(b) a person whose presence in the home on a substantially continuous basis is required because of the certified illness, injury, incapacity, or the age of another member of the household;

(c) a person who has been placed in a licensed or certified facility for purposes of physical or mental health or rehabilita-

tion, or in an approved chemical dependency domiciliary facility, if the placement is based on illness or incapacity and is pursuant to a plan developed or approved by the local agency through its director or designated representative;

(d) a person who resides in a shelter facility described in section 256D.05, subdivision 3;

(e) a person who is or may be eligible for displaced homemaker services, programs, or assistance under section 4.40;

(f) a person not described in clause (a) or (c) who is diagnosed by a licensed physician or licensed consulting psychologist as mentally retarded or mentally ill, which condition prevents the person from obtaining or retaining employment;

(g) a person who has an application pending for the social security disability program or the program of supplemental security income for the aged, blind, and disabled, or who has been terminated from either program and has an appeal from that termination pending;

(h) a person who is unable to obtain or retain employment because his advanced age significantly affects his ability to seek or engage in substantial work;

(i) a person who has been referred to, has applied for, or is in a work training, work experience, vocational rehabilitation, or other employment related educational program if the period of time the person is exempted pursuant to this clause, while awaiting acceptance into such program, shall not exceed two months;

(j) an adult member of a household with children in which another adult is employed full time or has registered for employment services with the department of economic security or has been accepted in a work training program; or

(k) a person who has been certified as unemployable by the commissioner of economic security.

Subd. 3. [RIGHT TO HEARING.] Any person required by the local agency to register in accordance with the provisions of subdivision 1 is entitled, prior to grant reduction, suspension, or termination, to a hearing pursuant to the provisions of section 256D.10 on the issue of whether the person comes within the exemptions contained in subdivision 2.

Subd. 4. [NOTICE OF NONCOMPLIANCE.] No notice of grant reduction, suspension, or termination on the ground that a recipient has failed to comply with the requirements of subdivision 1 shall be given by the local agency pursuant to section

256D.10 until the commissioner of economic security certifies in writing to the local agency that the recipient has been finally determined, in accordance with the notice, hearing, and appeal rights and procedures applicable to the work incentive program, as prescribed in section 256.736, subdivision 4, clause (4), to have failed to comply with the requirements of subdivision 1. A final determination, if made in accordance with these procedures, shall be binding upon the local agency and the recipient.

Subd. 5. [RULEMAKING.] The commissioner shall adopt rules and is authorized to adopt temporary rules:

(a) providing for a reasonable period of disqualification from the receipt of general assistance for a recipient who is not exempt pursuant to subdivision 2 and who has been finally determined pursuant to the procedure prescribed in subdivision 4 to have failed to comply with the requirements of subdivision 1, provided that the period of disqualification for the first failure to comply shall not exceed one month;

(b) providing for the use of vouchers or vendor payments with respect to the family of a recipient described in clause (a); and

(c) providing that at the time of the approval of an application for general assistance, the local agency gives to the recipient a written notice in plain and easily understood language describing the recipient's job registration, search, and acceptance obligations under this section, and the period of disqualification that will be imposed for a failure to comply with those obligations.

Sec. 11. [256D.112] [TEMPORARY AUTHORITY TO REFER CERTAIN RECIPIENTS TO COMMISSIONER OF ECONOMIC SECURITY.]

The local agency shall refer a recipient to the commissioner of economic security for services under the small business job creation incentive program or the public service jobs program upon the payment to the recipient of a one-month grant. A referral shall be in writing, shall describe the jobs programs for which the referral is being made, shall state the address of the office to which the recipient is being referred, and shall state that if the recipient is not accepted for participation in the jobs programs, the recipient should return to the local agency. Notwithstanding the provisions of section 10, subdivision 3, and section 256D.10, assistance to a general assistance recipient referred to the commissioner of economic security pursuant to this section shall be suspended at the time of the referral for a period of 30 days following the period for which a grant has been issued. If the recipient does not return to the local agency within the 30-

day period, assistance shall be terminated. This section does not apply:

(1) to persons that the commissioner of economic security has determined, pursuant to section 12, are not eligible for the jobs programs; are not likely to secure a job through one of the jobs programs; or are not able to successfully perform a job available through one of the jobs programs;

(2) to persons who are recipients of general assistance on July 1, 1983; and

(3) to persons whom the local agency has substantial reason to believe are covered by section 10, subdivision 2.

Nothing in this section shall be construed as prohibiting any recipient who has not been referred by the local agency from applying to the commissioner of economic security for services under the small business job creation incentive program or the public service jobs program. The local agency shall provide to all recipients a written description of the small business job creation incentive program and the public service jobs program.

Sec. 12. [268A.11] [APPLICATION PROCESS; DETERMINATIONS.]

Any person may apply to the commissioner for services under the small business job creation incentive program or the public service jobs program. Upon receiving an application, the commissioner shall promptly determine the person's eligibility for services under the programs, the person's ability to successfully perform a job available through one of the programs, and the person's eligibility for an allowance pursuant to section 13. In determining the eligibility of a person for the allowance, the commissioner shall apply the eligibility standards set forth in sections 256D.01 to 256D.21. A person referred by a local agency pursuant to the provisions of section 11 shall be deemed to be eligible for the allowance. If the commissioner finds at any time that a person is not eligible for services under the jobs programs or if the commissioner determines after a three-month period that the person is unlikely to secure a job through one of the jobs programs, then the commissioner shall issue a written determination stating the findings and provide the person with a written referral to the appropriate local agency. If the commissioner finds at any time, pursuant to standards established by the commissioner by rule or temporary rule, that a person is not able to successfully perform a job available through one of the jobs programs, the commissioner shall issue a written determination stating the findings and explaining the person's right to appeal pursuant to section 14, and shall provide the person with a written referral to the appropriate local agency. If the commissioner finds that a person is not eligible for an allowance pursuant to

section 13, the commissioner shall advise the person in writing that the person may make an application for general assistance with the appropriate local agency.

Sec. 13 [268A.12] [PAYMENT OF ALLOWANCE.]

A person accepted pursuant to section 12 for participation in the small business job creation incentive program or the public service jobs program and determined by the commissioner to satisfy the eligibility standards set forth in sections 256D.01 to 256D.21 shall be paid a cash allowance by the commissioner in an amount which is not less than the amount of the general assistance grant that the person would otherwise receive pursuant to sections 256D.01 to 256D.21. The commissioner shall adopt a permanent or temporary rule establishing the amounts of allowances to be paid pursuant to this section. The initial allowance shall be paid to the person as soon as administratively feasible. A person referred by a local agency pursuant to section 11 shall be paid the initial allowance upon the expiration of the period covered by the one-month grant received from the local agency. Thereafter, the allowance shall be paid at such intervals as the commissioner shall by rule or temporary rule prescribe.

Sec. 14. [268A.13] [APPEAL PROCEDURE.]

A person aggrieved by a determination issued pursuant to section 12 that the person is not able to successfully perform a job available through the small business job creation incentive program or the public service jobs program may appeal that determination in accordance with the time limits and procedures applicable to the work incentive program, as prescribed in section 256.736, subdivision 4, clause (4). If otherwise eligible under section 13, the person shall receive the allowance prescribed by section 13 until a final decision on the appeal is rendered.

Sec. 15. [268A.14] [SUITABLE EMPLOYMENT FOR PURPOSES OF GENERAL ASSISTANCE.]

For purposes of eligibility for general assistance pursuant to sections 256D.01 to 256D.21, a job provided through the small business job creation incentive program or the public service jobs program shall be deemed to be "suitable employment," as that term is defined in section 256D.02, subdivision 13.

Sec. 16. [TRANSFER OF FUNDS.]

The commissioners of economic security and public welfare may, upon approval by the legislative advisory commission and the governor according to section 3.30, transfer funds among appropriations and between departments if the utilization of small business jobs, public service jobs, allowances, or general

assistance is significantly different from the projected utilization.

Sec. 17. [REPEALER.]

Minnesota Statutes 1982, sections 256D.02, subdivision 14; and 256D.06, subdivision 1a, are repealed.

Sec. 18. [SUNSET PROVISION.]

Sections 5 and 11 to 15 of this article are repealed June 30, 1985.

Sec. 19. [EFFECTIVE DATE.]

Sections 1 to 4, 6 to 9, 17, and 18 of this article are effective the day following final enactment. Sections 5 and 10 to 15 of this article are effective October 1, 1983.

ARTICLE 7

SERVICES FOR THE MENTALLY RETARDED

Section 1. Minnesota Statutes 1982, section 252.24, subdivision 1, is amended to read:

Subdivision 1. [SELECTION OF DEVELOPMENTAL ACHIEVEMENT CENTERS.] The county board shall administer developmental achievement services, *including training and habilitation services provided by licensed developmental achievement centers to residents of intermediate care facilities for the mentally retarded.* The county board shall ensure that transportation is provided for persons who fulfill the eligibility requirements of section 252.23, clause (1), utilizing the most efficient and reasonable means available. The county board may contract for developmental achievement services and transportation from a center which is licensed under the provisions of sections 245.781 to 245.813, 252.28, and 257.175, and in the board's opinion, best provides daytime developmental achievement services for mentally retarded and cerebral palsied persons within the appropriation and medical assistance resources made available for this purpose. Daytime developmental achievement services administered by the county board shall comply with standards established by the commissioner pursuant to subdivision 2 and applicable federal regulations.

Sec. 2. Minnesota Statutes 1982, section 252.28, is amended to read:

252.28 [COMMISSIONER OF PUBLIC WELFARE; DUTIES.]

Subdivision 1. [DETERMINATIONS; BIENNIAL REDETERMINATIONS.] The commissioner of public welfare (MAY) *shall determine, and shall redetermine biennially,* the need, location, size, and program of public and private residential and day care facilities and services for mentally retarded children and adults.

Subd. 2. [RULES; PROGRAM STANDARDS; LICENSES.] The commissioner of public welfare shall:

(1) Establish uniform rules, regulations and program standards for each type of residential and day facility or service for (MORE THAN FOUR) *mentally* retarded persons, including state institutions under control of the commissioner and serving mentally retarded persons, *and excluding mentally retarded persons residing with their families.*

(2) Grant licenses according to the provisions of Laws 1976, chapter 243, sections 2 to 13.

Subd. 3. [LICENSING DETERMINATIONS.] (1) No new license shall be granted pursuant to this section when the issuance of the license would substantially contribute to an excessive concentration of community residential facilities within any town, municipality or county of the state.

(2) In determining whether a license shall be issued pursuant to this subdivision, the commissioner of public welfare shall specifically consider the population, size, land use plan, availability of community services and the number and size of existing public and private community residential facilities in the town, municipality or county in which a licensee seeks to operate a residence. Under no circumstances may the commissioner newly license any facility pursuant to this section except as provided in section 245.812. The commissioner of public welfare shall establish uniform rules and regulations to implement the provisions of this subdivision.

(3) Licenses for community facilities and services shall be issued pursuant to section 245.821.

Subd. 4. [RULES; DECERTIFICATION OF BEDS.] *The commissioner shall promulgate in rule criteria for decertification of beds in intermediate care facilities for the mentally retarded, and shall encourage providers in voluntary decertification efforts. The commissioner shall not recommend to the commissioner of health the involuntary decertification of an intermediate care facility for beds for the mentally retarded prior to the availability of appropriate services for those residents affected by the decertification. The commissioner of health shall decertify those intermediate care beds determined to be not needed by the commissioner of welfare.*

Sec. 3. [252.291] [LIMITATION ON DETERMINATION OF NEED.]

Subdivision 1. [MORATORIUM.] Notwithstanding section 252.28, subdivision 1, or any other law or rule to the contrary, the commissioner of public welfare shall deny any request for a determination of need and refuse to grant a license pursuant to section 245.782 for any new intermediate care facility for mentally retarded persons or for an increase in the licensed capacity of an existing facility except as provided in subdivision 2. In no event shall the total of certified intermediate care beds for mentally retarded persons in community facilities and state hospitals exceed 7,500 beds as of July 1, 1983, and 7,000 beds as of July 1, 1986. "Certified bed" means an intermediate care bed for the mentally retarded certified by the commissioner of health for the purposes of the medical assistance program under United States Code, title 42, sections 1396 to 1396p, as amended through December 31, 1982.

Subd. 2. [EXCEPTIONS.] The commissioner of public welfare in coordination with the commissioner of health may approve a new intermediate care facility for mentally retarded persons only in the following circumstances:

(a) when the facility is developed in accordance with a request for proposal system established pursuant to subdivision 3, clause (c);

(b) when the facility is necessary to serve the needs of identifiable mentally retarded persons who are seriously behaviorally disordered or who are physically or sensorily impaired; or

(c) to license beds in new facilities where need was determined by the commissioner prior to the effective date of this section.

Subd. 3. [DUTIES OF COMMISSIONER OF PUBLIC WELFARE.] *The commissioner shall:*

(a) establish standard admission criteria for state hospitals and county utilization targets to limit and reduce the number of intermediate care beds in state hospitals and community facilities in accordance with approved waivers under United States Code, title 42, sections 1396 to 1396p, as amended through December 31, 1982, to assure that appropriate services are provided in the least restrictive setting;

(b) eliminate state hospital beds by consolidating program units and closing other units as necessary to reduce costs and assure quality programming, provided that a staff redeployment plan is in place before the consolidation, and shall ensure that providers of services make reasonable efforts to hire qualified

employees of state hospital units who have been displaced by re-organization, closure, or consolidation of state hospital mental retardation units;

(c) provide technical assistance so that county boards may establish a request for proposal system for meeting individual service plan objectives through home and community-based services; alternative community services; or, if no other alternative will meet the needs of identifiable individuals for whom the county is financially responsible, a new intermediate care facility for mentally retarded persons; and

(d) establish a client tracking and evaluation system as required under applicable federal waiver regulations, Code of Federal Regulations, title 42, sections 431, 435, 440, and 441, as amended through December 31, 1982.

(e) develop a state plan for the delivery and funding of residential day and support services to the mentally retarded in Minnesota and submit that plan to the clerk of each house of the Minnesota legislature on or before the 15th of January of each biennium beginning January 15, 1985. The biennial mental retardation plan shall include but not be limited to:

(1) county by county maximum intermediate care bed utilization quotas;

(2) plans for the development of the number and types of services alternative to intermediate care beds;

(3) procedures for the administration and management of the plan;

(4) procedures for the evaluation of the implementation of the plan; and

(5) the number, type, and location of intermediate care beds targeted for decertification.

The commissioner shall modify the plan to ensure conformance with the medical assistance home and community-based services waiver.

Subd. 4. [MONITORING.] The commissioner of public welfare, in coordination with the commissioner of health, shall implement mechanisms to monitor and analyze the effect of the bed moratorium in the different geographic areas of the state. The commissioner of public welfare shall submit to the legislature annually beginning January 15, 1984, an assessment of the impact of the moratorium by geographic areas.

Subd. 5. [RULEMAKING.] The commissioner of public welfare shall promulgate temporary and permanent rules pursuant to chapter 14, the Administrative Procedure Act, to implement this section.

Sec. 4. Minnesota Statutes 1982, section 256B.02, subdivision 8, is amended to read:

Subd. 8. [MEDICAL ASSISTANCE; MEDICAL CARE.] "Medical assistance" or "medical care" means payment of part or all of the cost of the following care and services for eligible individuals whose income and resources are insufficient to meet all of (SUCH) *this* cost:

- (1) inpatient hospital services (.);
- (2) skilled nursing home services and services of intermediate care facilities (.), *including training and habilitation services, as defined in section 256B.50, subdivision 1, for mentally retarded individuals residing in intermediate care facilities for the mentally retarded;*
- (3) physicians' services (.);
- (4) outpatient hospital or clinic services (.);
- (5) home health care services (.);
- (6) private duty nursing services (.);
- (7) physical therapy and related services (.);
- (8) dental services, excluding cast metal restorations (.);
- (9) laboratory and x-ray services (.);
- (10) the following if prescribed by a licensed practitioner: drugs, eyeglasses, dentures, and prosthetic devices. The commissioner shall designate a formulary committee which shall advise the commissioner on the names of drugs for which payment shall be made, recommend a system for reimbursing providers on a set fee or charge basis rather than the present system, and develop methods encouraging use of generic drugs when they are less expensive and equally effective as trademark drugs. The commissioner shall appoint the formulary committee members no later than 30 days following July 1, 1981. The formulary committee shall consist of nine members, four of whom shall be physicians who are not employed by the department of public welfare, and a majority of whose practice is for persons paying privately or through health insurance, three of whom shall be pharmacists who are not employed by the department of public welfare, and a majority of whose practice is for persons paying privately or through health insurance, a consumer representative, and a nursing home representative. Committee members shall serve two year terms and shall serve without compensation. The commissioner may establish a drug formulary. Its

establishment and publication shall not be subject to the requirements of the administrative procedure act, but the formulary committee shall review and comment on the formulary contents. The formulary shall not include: drugs for which there is no federal funding; over the counter drugs, except for antacids, acetaminophen, family planning products, aspirin, insulin, prenatal vitamins, and vitamins for children under the age of seven; nutritional products; anorectics; and drugs for which medical value has not been established. Payment to drug vendors shall not be modified before the formulary is established. The commissioner may promulgate conditions for prohibiting payment for specific drugs after considering the formulary committee's recommendations.

The basis for determining the amount of payment shall be the actual acquisition costs of the drugs plus a fixed dispensing fee established by the commissioner. Actual acquisition cost includes quantity and other special discounts except time and cash discounts. Establishment of this fee shall not be subject to the requirements of the administrative procedure act. Whenever a generically equivalent product is available, payment shall be on the basis of the actual acquisition cost of the generic drug, unless the prescriber specifically indicates "dispense as written" on the prescription as required by section 151.21, subdivision 2.

Notwithstanding the above provisions, implementation of any change in the fixed dispensing fee which has not been subject to the administrative procedure act shall be limited to not more than 180 days, unless, during that time, the commissioner shall have initiated rulemaking through the administrative procedure act (.);

(11) diagnostic, screening, and preventive services (.);

(12) health care pre-payment plan premiums and insurance premiums if paid directly to a vendor and supplementary medical insurance benefits under Title XVIII of the Social Security Act (.);

(13) abortion services, but only if one of the following conditions is met:

(a) The abortion is a medical necessity. "Medical necessity" means (1) the signed written statement of two physicians indicating the abortion is medically necessary to prevent the death of the mother, and (2) the patient has given her consent to the abortion in writing unless the patient is physically or legally incapable of providing informed consent to the procedure, in which case consent will be given as otherwise provided by law;

(b) The pregnancy is the result of criminal sexual conduct as defined in section 609.342, clauses (c), (d), (e) (i), and (f),

and the incident is reported within 48 hours after the incident occurs to a valid law enforcement agency for investigation, unless the victim is physically unable to report the criminal sexual conduct, in which case the report shall be made within 48 hours after the victim becomes physically able to report the criminal sexual conduct; or

(c) The pregnancy is the result of incest, but only if the incident and relative are reported to a valid law enforcement agency for investigation prior to the abortion (.) ;

(14) transportation costs incurred solely for obtaining emergency medical care or transportation costs incurred by non-ambulatory persons in obtaining emergency or non-emergency medical care when paid directly to an ambulance company, common carrier, or other recognized providers of transportation services. For the purpose of this clause, a person who is incapable of transport by taxicab or bus shall be considered to be non-ambulatory (.) ;

(15) to the extent authorized by rule of the state agency, costs of bus or taxicab transportation incurred by any ambulatory eligible person for obtaining non-emergency medical care (.) ; and

(16) any other medical or remedial care licensed and recognized under state law unless otherwise prohibited by law.

Sec. 5. [256B.092] [CASE MANAGEMENT OF MENTALLY RETARDED PERSONS.]

Subdivision 1. [COUNTY OF FINANCIAL RESPONSIBILITY; DUTIES.] Before any services shall be rendered to mentally retarded persons in need of social service and medical assistance, the county of financial responsibility shall conduct a diagnostic evaluation in order to determine whether the person is or may be mentally retarded. If a client is diagnosed mentally retarded, that county must conduct a needs assessment, develop an individual service plan, and authorize placement for services. If the county of financial responsibility places a client in another county for services, the placement shall be made in cooperation with the host county of service, and arrangements shall be made between the two counties for ongoing social service, including annual reviews of the client's individual service plan. The host county may not make changes in the service plan without approval by the county of financial responsibility.

Subd. 2. [MEDICAL ASSISTANCE.] To assure quality case management to those county clients who are eligible for medical assistance, the commissioner shall: (a) provide consultation on the case management process; (b) assist county agencies in the screening and annual reviews of clients to assure

that appropriate levels of service are provided; (c) provide consultation on service planning and development of services with appropriate options; (d) provide training and technical assistance to county case managers; and (e) authorize payment for medical assistance services.

Subd. 3. [TERMINATION OF SERVICES.] County agency case managers, under rules of the commissioner, shall authorize and terminate services of community and state hospital providers in accordance with individual service plans. Medical assistance services not needed shall not be authorized by county agencies nor funded by the commissioner.

Subd. 4. [ALTERNATIVE HOME AND COMMUNITY BASED SERVICES.] The commissioner shall make payments to county boards participating in the medical assistance program to pay costs of providing alternative home and community based services to medical assistance eligible mentally retarded persons screened under subdivision 7. Payment is available under this subdivision only for persons who, if not provided these services, would require the level of care provided in an intermediate care facility for mentally retarded persons.

Subd. 5. [FEDERAL WAIVERS.] The commissioner shall apply for any federal waivers necessary to secure, to the extent allowed by law, federal financial participation under United States Code, title 42, sections 1396 to 1396p, as amended through December 31, 1982, for the provision of services to persons who, in the absence of the services, would need the level of care provided in a state hospital or a community intermediate care facility for mentally retarded persons. The commissioner may seek amendments to the waivers or apply for additional waivers under United States Code, title 42, sections 1396 to 1396p, as amended through December 31, 1982, to contain costs. The commissioner shall ensure that payment for the cost of providing home and community based alternative services under the federal waiver plan shall not exceed the cost of intermediate care services that would have been provided without the waived services.

Subd. 6. [RULES.] The commissioner shall adopt temporary and permanent rules to establish required controls, documentation, and reporting of services provided in order to assure proper administration of the approved waiver plan.

Subd. 7. [SCREENING TEAMS ESTABLISHED.] Each county agency shall establish a screening team which, under the direction of the county case manager, shall make an evaluation of need for home and community based services of persons who are entitled to the level of care provided by an intermediate care facility for mentally retarded persons or for whom there is a reasonable indication that they might need the services in the near future. The screening team shall make an evaluation of need

within 15 working days of the request for service and within five working days of an emergency admission of an individual to an intermediate care facility for mentally retarded persons. The screening team shall consist of the case manager, the client, a parent or guardian, a qualified mental retardation professional, as defined in the Code of Federal Regulations, title 42, section 442.401, as amended through December 31, 1982, assigned by the commissioner. The case manager shall consult with the client's physician or other persons as necessary to make this evaluation. Other persons may be invited to attend meetings of the screening team. No member of the screening team shall have any direct or indirect service provider interest in the case.

Subd. 8. [SCREENING TEAM DUTIES.] The screening team shall:

- (a) review diagnostic data;*
- (b) review health, social, and developmental assessment data using a uniform screening tool specified by the commissioner;*
- (c) identify the level of services needed to maintain the person in the most normal and least restrictive setting that is consistent with treatment needs;*
- (d) identify other noninstitutional public assistance or social service that may prevent or delay long-term residential placement;*
- (e) determine whether a client is in serious need of long-term residential care;*
- (f) make recommendations to the county agency regarding placement and payment for: (1) social service or public assistance support to maintain a client in the client's own home or other place of residence; (2) training and habilitation service, vocational rehabilitation, and employment training activities; (3) community residential placement; (4) state hospital placement; or (5) a home and community based alternative to community residential placement or state hospital placement;*
- (g) make recommendations to a court as may be needed to assist the court in making commitments of mentally retarded persons; and*
- (h) inform clients that appeal may be made to the commissioner pursuant to section 256.045.*

Subd. 9. [REIMBURSEMENT.] Payment shall not be provided to a service provider for any recipient placed in an intermediate care facility for the mentally retarded prior to the recipient being screened by the screening team. The commissioner

shall not deny reimbursement for: (a) an individual admitted to an intermediate care facility for mentally retarded who is assessed to need long-term supportive services, if long-term supportive services other than intermediate care are not available in that community; (b) any individual admitted to an intermediate care facility for the mentally retarded under emergency circumstances; (c) any eligible individual placed in the intermediate care facility for the mentally retarded pending an appeal of the screening team's decision; or (d) any medical assistance recipient when, after full discussion of all appropriate alternatives including those that are expected to be less costly than intermediate care for mentally retarded, the individual or the individual's legal representative insists on intermediate care placement. The screening team shall provide documentation that the most cost effective alternatives available were offered to this individual or the individual's legal representative.

Sec. 6. Minnesota Statutes 1982, section 256B.19, is amended by adding a subdivision to read:

Subd. 3. [STUDY OF MEDICAL ASSISTANCE FINANCIAL PARTICIPATION.] The commissioner shall study the feasibility and outcomes of implementing a variable medical assistance county financial participation rate for long-term care services to mentally retarded persons in order to encourage the utilization of alternative services to long-term intermediate care for the mentally retarded. The commissioner shall submit his findings and recommendations to the legislature by January 20, 1984.

Sec. 7. [256B.50] [RATES FOR COMMUNITY-BASED SERVICES FOR THE MENTALLY RETARDED.]

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

(a) "Commissioner" means the commissioner of public welfare.

(b) "Facility" means a facility licensed as a mental retardation residential facility under section 252.28, licensed as a supervised living facility under chapter 144, and certified as an intermediate care facility for the mentally retarded.

(c) "Waivered service" means home or community-based service authorized under United States Code, title 42, section 1396n (c), as amended through December 31, 1982, and defined in the Minnesota state plan for the provision of medical assistance services. Waivered services include, at a minimum, case management, family training and support, developmental training homes, supervised living arrangements, semi-independent living services, respite care, and training and habilitation services.

(d) "Training and habilitation services" are those health and social services needed to ensure optimal functioning of persons who are mentally retarded or have related conditions. Training and habilitation services shall be provided to a client away from the residence unless medically contraindicated by an organization which does not have a direct or indirect financial interest in the organization which provides the person's residential services. This requirement shall not apply to any developmental achievement center which has applied for licensure prior to April 15, 1983.

Subd. 2. [AUTHORITY.] The commissioner shall establish procedures and rules for determining rates for care of residents of intermediate care facilities for the mentally retarded which qualify as vendors of medical assistance, waived services, and for provision of training and habilitation services. Approved rates shall be established on the basis of methods and standards that the commissioner finds adequate to provide for the costs that must be incurred for the quality care of residents in efficiently and economically operated facilities and services. The procedures shall specify the costs that are allowable for payment through medical assistance. The commissioner may use experts from outside the department in the establishment of the procedures.

Subd. 3. [RATES FOR INTERMEDIATE CARE FACILITIES FOR THE MENTALLY RETARDED.] The commissioner shall establish, by rule, procedures for determining rates for care of residents of intermediate care facilities for the mentally retarded. The procedures shall be based on methods and standards that the commissioner finds are adequate to provide for the costs that must be incurred for the care of residents in efficiently and economically operated facilities. In developing the procedures, the commissioner shall include:

(a) cost containment measures that assure efficient and prudent management of capital assets and operating cost increases which do not exceed increases in other sections of the economy;

(b) limits on the amounts of reimbursement for property, general and administration, and new facilities;

(c) requirements to ensure that the accounting practices of the facilities conform to generally accepted accounting principles; and

(d) incentives to reward accumulation of equity.

In establishing rules and procedures for setting rates for care of residents in intermediate care facilities for mentally retarded persons, the commissioner shall consider the recommendations

contained in the February 11, 1983, Report of the Legislative Auditor on Community Residential Programs for the Mentally Retarded and the recommendations contained in the 1982 Report of the Department of Public Welfare Rule 52 Task Force. Rates paid to supervised living facilities for rate years beginning during the fiscal biennium ending June 30, 1985, shall not exceed the final rate allowed the facility for the previous rate year by more than six percent.

Subd. 4. [WAIVERED SERVICES.] In establishing rates for waivered services the commissioner shall consider the need for flexibility in the provision of those services to meet individual needs identified by the screening team.

Subd. 5. [TRAINING AND HABILITATION SERVICES.]
(a) Except as provided in subdivision 6, rates for reimbursement under medical assistance for training and habilitation services provided by a developmental achievement center either as a waivered service or to residents of an intermediate care facility for mentally retarded persons shall be established and paid in accordance with this subdivision effective January 1, 1984.

(b) Prior to August 1, 1983, the county board shall submit to the commissioner its contractual per diem rate and its maximum per client annual payment limitations, if any, for each developmental achievement center it administers pursuant to section 252.24, subdivision 1, for the period from July 1, 1983, through December 31, 1983, which shall be the medical assistance reimbursement rate established for that developmental achievement center for 1983. If the county rate is based on average daily attendance which is less than 93 percent of the developmental achievement center's average enrollment for the period from July 1, 1983, to December 31, 1983, the commissioner shall adjust that rate based on 93 percent average daily attendance.

(c) The base per diem reimbursement rate established for 1983 may be increased by the commissioner in 1984 in an amount up to the projected percentage change in the average value of the consumer price index (all urban) for 1984 over 1983. In subsequent years, the increase in the per diem rate shall not exceed the projected percentage change in the average annual value of the consumer price index (all urban) for the same time period.

(d) The county board in which an intermediate care facility for mentally retarded persons is located shall contract annually with that facility and with the appropriate developmental achievement center or training and habilitation service provider for provision of training and habilitation services for each resident of the facility for whom the services are required by the resident's individual service plan. This contract shall specify the county payment rate or the medical assistance reimburse-

ment rate, as appropriate; the training and habilitation services to be provided; and the performance standards for program provision and evaluation. A similar contract shall be entered into between the county and the developmental achievement center for persons receiving training and habilitation services from that center as a waived service.

(e) The commissioner shall reimburse under medical assistance up to 210 days of training and habilitation services at developmental achievement centers for those centers which provided less than or equal to 210 days of training and habilitation services in calendar year 1982. For developmental achievement centers providing more than 210 days of services in 1982, the commissioner shall not reimburse under medical assistance in excess of the number of days provided by those programs in 1982.

(f) Medical assistance payments for training and habilitation services shall be made directly to the training and habilitation provider after submission of invoices to the medical assistance program following procedures established by the medical assistance program.

(g) Nothing in this subdivision shall prohibit county boards from contracting for rates for services not reimbursed under medical assistance.

Subd. 6. [NEW DEVELOPMENTAL ACHIEVEMENT PROGRAMS; RATES.] The commissioner, upon the recommendation of the local county board, shall determine the medical assistance reimbursement rate for new developmental achievement programs. The payment rate shall not exceed 125 percent of the average payment rate in the region.

Subd. 7. [ALTERNATIVE RATES FOR TRAINING AND HABILITATION SERVICES.] Alternative methods may be proposed by the counties or the commissioner for provision of training and habilitation services during daytime hours apart from a residential facility to persons for whom needs identified in their individual service plan are not met by the training and habilitation services provided at a developmental achievement center. The commissioner shall establish procedures for approval of the proposals and for medical assistance payment of rates which shall not exceed the average rate allowed in that county for training and habilitation services pursuant to subdivision 5. Nothing in this subdivision prohibits a county from contracting with a developmental achievement center for those purposes.

Subd. 8. [PAYMENT FOR PERSONS WITH SPECIAL NEEDS.] The commissioner shall establish by December 31, 1983, procedures to be followed by the counties to seek authorization from the commissioner for medical assistance reimbursement for waived services or training and habilitation services

for very dependent persons with special needs in an amount in excess of the rates allowed pursuant to subdivisions 2, 4, 5, and 6, and procedures to be followed for rate limitation exemptions for intermediate care facilities for mentally retarded persons. No excess payment or limitation exemption shall be authorized unless the need for the service is documented in the individual service plan of the person or persons to be served, the type and duration of the services needed are stated, and there is a basis for estimated cost of the services.

The commissioner shall evaluate the services provided pursuant to this subdivision through program and fiscal audits.

Subd. 9. [REPORTING REQUIREMENTS.] The developmental achievement center shall submit to the county and the commissioner no later than March 1 of each year an annual report which includes the actual program revenues and expenditures, client information, and program information. The information shall be submitted on forms prescribed by the commissioner.

Subd. 10. [RULES.] To implement this section, the commissioner shall promulgate temporary and permanent rules in accordance with chapter 14. To implement subdivision 3, the commissioner shall promulgate temporary rules by October 1, 1983, and permanent rules in accordance with sections 14.01 to 14.38. Notwithstanding the provisions of section 14.35, the temporary rule promulgated to implement subdivision 3 shall be effective for up to 720 days.

Sec. 8. [RULES.]

To implement sections 1 to 7, the commissioner shall promulgate temporary and permanent rules in accordance with sections 14.01 to 14.38.

Sec. 9. Minnesota Statutes 1982, section 256E.06, is amended by adding a subdivision to read:

Subd. 2a. [STATE TRANSFER OF FUNDS.] Notwithstanding subdivisions 1 and 2, for the purpose of funding training and habilitation services provided to residents of intermediate care facilities for mentally retarded persons as required under federal regulation, the commissioner is authorized to transfer on a quarterly basis to the medical assistance state account from each county's Community Social Services Act allocation an amount equal to the state share of medical assistance reimbursement for such services provided to clients for whom the county is financially responsible. Upon federal approval and state implementation of the state medical assistance plan, county boards will not be responsible for the funding of training and habilitation services as a social service to residents of intermediate care

facilities for the mentally retarded. County board responsibility for training and habilitation services shall be assumed under section 256B.20. County boards continue to be responsible for funding developmental achievement center services not covered under the medical assistance program established by United States Code, title 42, sections 1396 to 1396p, as amended through December 31, 1982, and shall develop contractual agreements for these services under the authority of chapter 256E.

Sec. 10. [CASE MANAGEMENT PLAN.]

(a) Up to 15 line item positions are authorized for the implementation of provisions of the case management plan, the home and community based services waiver program, assisting county agencies in screening clients for medical assistance services, technical assistance in developing community-based alternatives, and management of the mental retardation medical assistance program.

(b) The appropriation for development and implementation of this project shall be expended with the approval of the governor after consulting with the legislative advisory commission as provided in section 3.30. Release of these funds shall also be contingent upon submission of a plan prepared by the commissioner. The plan shall describe the following:

(1) the organization, development, and responsibilities of requested staff;

(2) specification of all the administrative costs associated with the program;

(3) how the information system will be integrated into the community services information system, the medicaid management information system, and any other data processing operations of the department;

(4) the methods for implementing the system; and

(5) the projected costs for the maintenance and operation of the system.

The plan shall be submitted to the chairmen of the house appropriations and senate finance committees.

Sec. 11. [REPEALER.]

The provisions of sections 2, 3, 5, 7, subdivisions 1 and 4 and 10 are repealed effective June 30, 1984, if a home and community based waiver under United States Code, title 42, section 1915(c), as amended through December 31, 1982, is not approved by June 30, 1984.

Sec. 12. [EFFECTIVE DATE.]

Sections 1 to 11 are effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to the organization and operation of state government; appropriating money for welfare, corrections, health, and other purposes with certain conditions; providing appropriations for the departments of public welfare, economic security, corrections, health, sentencing guidelines commission, corrections ombudsman, and health related boards; amending Minnesota Statutes 1982, sections 13.46, subdivision 2; 144.653, subdivision 2; 144A.10, subdivision 2; 145.881; 145.882; 145.921, subdivision 1; 245.62; 245.66; 246.51, subdivision 1; 246.57, by adding a subdivision; 251.011, subdivision 6; 252.24, subdivision 1; 252.28; 256.01, subdivision 2; 256.82, by adding a subdivision; 256.966, subdivision 1; 256.967; 256.968; 256B.02, subdivision 8; 256B.04, subdivision 14, and by adding a subdivision; 256B.-041, subdivisions 2 and 5; 256B.06, subdivision 1; 256B.061; 256B.064, subdivisions 1a and 2; 256B.07; 256B.14, subdivision 2; 256B.17, by adding a subdivision; 256B.19, by adding a subdivision; 256B.27, subdivisions 3 and 4; 256D.01, subdivision 1; 256D.02, subdivision 4, and by adding a subdivision; 256D.03, subdivision 4, and by adding a subdivision; 256D.05, subdivision 1a; 256D.06, subdivision 5; 256D.09, subdivision 2, and by adding a subdivision; 256E.06, subdivision 2, and by adding a subdivision; 401.14, by adding a subdivision; 401.15, subdivision 1; and Laws 1981, chapter 360, section 10; proposing new law coded in Minnesota Statutes, chapters 145; 246; 252; 256; 256B; and 256D; proposing new law coded as Minnesota Statutes, chapter 268A; repealing Minnesota Statutes 1982, sections 256D.02, subdivision 14; 256D.06, subdivision 1a; Laws 1979, chapter 336, section 5; and Laws 1981, chapter 323, section 4."

The motion prevailed and the amendment was adopted.

Wynia moved to amend S. F. No. 1234, as amended, as follows:

Page 22, line 5, delete "not"

Anderson, R., moved to amend the Wynia amendment to S. F. No. 1234, as amended, as follows:

Add the following to the Wynia amendment:

Page 2, line 6, after "shall" insert "not"

A roll call was requested and properly seconded.

CALL OF THE HOUSE

On the motion of Wynia and on the demand of 10 members, a call of the House was ordered. The following members answered to their names:

Anderson, R.	Findlay	Kostohryz	Piepho	Swanson.
Battaglia	Fjoslien	Krueger	Price	Thiede
Beard	Forsythe	Kvam	Quinn	Tomlinson
Begich	Frerichs	Larsen	Quist	Tunheim
Bennett	Greenfield	Levi	Redalen	Uphus
Bergstrom	Gruenes	Long	Riveness	Valan
Berkelman	Gustafson	Ludeman	Rodosovich	Valento
Bishop	Gutknecht	Mann	Rodriguez, C.	Vanasek
Brinkman	Halberg	McDonald	Rodriguez, F.	Vellenga
Burger	Haukoos	McKasy	Rose	Voss
Carlson, D.	Heap	Metzen	St. Onge	Waltman
Carlson, L.	Heinitz	Minne	Sarna	Welch
Clark, J.	Himle	Munger	Schafer	Welker
Cohen	Hoberg	Murphy	Schoenfeld	Welle
Coleman	Hoffman	Neuenschwander	Seaberg	Wenzel
Dempsey	Hokr	O'Connor	Segal	Wigley
DenOuden	Jacobs	Ogren	Shaver	Wynia
Dimler	Jennings	Olsen	Shea	Zaffke
Eken	Johnson	Omann	Sherman	Speaker Sieben
Elioff	Kalis	Onnen	Skoglund	
Ellingson	Kelly	Otis	Sparby	
Erickson	Knickerbocker	Pauly	Staten	
Evans	Knuth	Peterson	Sviggum	

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.

The question recurred on the Anderson, R., amendment to the Wynia amendment to S. F. No. 1234, as amended, and the roll was called.

Wynia moved that those not voting be excused from voting. The motion prevailed.

There were 54 yeas and 75 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Fjoslien	Hokr	Olsen	Sherman
Bennett	Forsythe	Jennings	Omann	Sviggum
Bishop	Frerichs	Johnson	Pauly	Thiede
Burger	Gruenes	Knickerbocker	Piepho	Uphus
Carlson, D.	Gutknecht	Kvam	Quist	Valan
Dempsey	Halberg	Levi	Redalen	Valento
DenOuden	Haukoos	Ludeman	Rose	Waltman
Dimler	Heap	Marsh	Schafer	Welker
Erickson	Heinitz	McDonald	Schreiber	Wigley
Evans	Himle	McEachern	Seaberg	Zaffke
Findlay	Hoberg	McKasy	Shaver	

Those who voted in the negative were:

Anderson, B.	Eken	Long	Piper	Skoglund
Anderson, G.	Elioff	Mann	Price	Solberg
Battaglia	Ellingson	Metzen	Quinn	Sparby
Beard	Graba	Minne	Rice	Staten
Begich	Greenfield	Munger	Riveness	Swanson
Bergstrom	Gustafson	Murphy	Rodosovich	Tomlinson
Berkelman	Hoffman	Nelson, D.	Rodriguez, C.	Tunheim
Brandl	Jacobs	Nelson, K.	Rodriguez, F.	Vanasek
Brinkman	Kahn	Neuenschwander	St. Onge	Vellenga
Carlson, L.	Kalis	Norton	Sarna	Voss
Clark, J.	Kelly	O'Connor	Scheid	Welch
Clark, K.	Knuth	Ogren	Schoenfeld	Welle
Clawson	Kostchryz	Osthoff	Segal	Wenzel
Cohen	Krueger	Otis	Shea	Wynia
Coleman	Larsen	Peterson	Simoneau	Speaker Sieben

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

The question recurred on the Wynia amendment to S. F. No. 1234, as amended. The motion prevailed and the amendment was adopted.

Anderson, R., moved to amend S. F. No. 1234, as amended, as follows:

Page 79, line 9, delete "*and state hospitals*"

Page 79, line 9, delete "*7,500*" and insert "*7,000*"

Page 79, line 10, delete "*7,000*" and insert "*6,500*"

A roll call was requested and properly seconded.

The question was taken on the amendment and the roll was called.

Wynia moved that those not voting be excused from voting. The motion prevailed.

There were 36 yeas and 86 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Fjoslien	Knickerbocker	Rose	Valan
Bishop	Frerichs	Levi	Schafer	Welker
Burger	Gruenes	Marsh	Seaberg	Welle
Carlson, D.	Gutknecht	McDonald	Shaver	Zaffke
Dimler	Haukoos	Olsen	Sherman	
Erickson	Heap	Omman	Stadum	
Evans	Heinitz	Quist	Thiede	
Findlay	Hoberg	Redalen	Uphus	

Those who voted in the negative were:

Anderson, B.	Forsythe	Long	Peterson	Staten
Anderson, G.	Graba	Ludeman	Piepho	Sviggum
Battaglia	Greenfield	Mann	Piper	Swanson
Beard	Gustafson	McEachern	Price	Tomlinson
Begich	Halberg	McKasy	Quinn	Turheim
Bennett	Himle	Metzen	Rice	Valento
Bergstrom	Hoffman	Minne	Riveness	Vanasek
Berkelman	Hokr	Munger	Rodosovich	Vellenga
Brandl	Jacobs	Murphy	Rodriguez, C.	Voss
Brinkman	Jennings	Nelson, D.	Rodriguez, F.	Waltman
Carlson, L.	Johnson	Nelson, K.	St. Onge	Welch
Clark, J.	Kahn	Neuenschwander	Sarna	Wenzel
Clawson	Kelly	Norton	Scheid	Wynia
Cohen	Knuth	O'Connor	Schoenfeld	Speaker Sieben
DenOuden	Kostohryz	Ogren	Segal	
Eken	Krueger	Osthoff	Simoneau	
Elioff	Kvam	Otis	Skoglund	
Ellingson	Larsen	Pauly	Sparby	

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

Anderson, R., moved to amend S. F. No. 1234, as amended, as follows:

Page 80, delete lines 2 to 9

Reletter the clauses

A roll call was requested and properly seconded.

The question was taken on the amendment and the roll was called.

Wynia moved that those not voting be excused from voting. The motion prevailed.

There were 36 yeas and 88 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Fjoslien	Marsh	Reif	Valento
Burger	Frerichs	McDonald	Schafer	Waltman
Carlson, D.	Gutknecht	Nelson, D.	Sherman	Welker
Dempsey	Haukoos	Olsen	Stadum	Welle
Dimler	Heinitz	Omann	Sviggum	
Erickson	Hoberg	Onnen	Thiede	
Evans	Knickerbocker	Piepho	Uphus	
Findlay	Ludeman	Redalen	Valan	

Those who voted in the negative were:

Anderson, B.	Begich	Bishop	Clark, J.	Coleman
Anderson, G.	Bennett	Brandl	Clark, K.	DenOuden
Battaglia	Bergstrom	Brinkman	Clawson	Eken
Beard	Berkelman	Carlson, L.	Cohen	Elioff

Ellingson	Kalis	Murphy	Rodosovich	Sparby
Forsythe	Kelly	Nelson, K.	Rodriguez, C.	Staten
Graba	Knuth	Neuenschwander	Rodriguez, F.	Swanson
Gruenes	Kostohryz	Norton	Rose	Tomlinson
Gustafson	Krueger	Ogren	St. Onge	Tunheim
Halberg	Larsen	Osthoff	Sarna	Vanasek
Heap	Levi	Pauly	Scheid	Vellenga
Himle	Long	Peterson	Schoenfeld	Voss
Hoffman	Mann	Piper	Seaberg	Welch
Hokr	McEachern	Price	Segal	Wenzel
Jacobs	McKasy	Quinn	Shea	Wynia
Jennings	Metzen	Quist	Simoneau	Speaker Sieben
Johnson	Minne	Rice	Skoglund	
Kahn	Munger	Riveness	Solberg	

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

Anderson, R., moved to amend S. F. No. 1234, as amended, as follows:

Page 30, line 18, after "*implementing*" insert "*up to*"

A roll call was requested and properly seconded.

The question was taken on the amendment and the roll was called.

Wynia moved that those not voting be excused from voting. The motion prevailed.

There were 43 yeas and 83 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Findlay	Ludeman	Redalen	Valento
Bennett	Fjoslien	Marsh	Rose	Voss
Burger	Frerichs	McDonald	Schafer	Waltman
Carlson, D.	Gutknecht	McEachern	Seaberg	Welker
Clawson	Haukoos	Metzen	Sherman	Welle
Dempsey	Heap	Olsen	Stadum	Wigley
Dimler	Hoberg	Omman	Thiede	Zaffke
Ericson	Johnson	Onnen	Uphus	
Evans	Knickerbocker	Piepho	Valan	

Those who voted in the negative were:

Anderson, B.	Ellingson	Krueger	Pauly	Simoneau
Anderson, G.	Forsythe	Larsen	Peterson	Skoglund
Battaglia	Graba	Levi	Piper	Solberg
Beard	Greenfield	Long	Price	Sparby
Begich	Gruenes	Mann	Quinn	Staten
Bergstrom	Gustafson	McKasy	Quist	Stvggum
Berkelman	Halberg	Minne	Reif	Swanson
Bishop	Himle	Munger	Rice	Tomlinson
Brandl	Hoffman	Murphy	Riveness	Tunheim
Brinkman	Hokr	Nelson, D.	Rodosovich	Vanasek
Carlson, L.	Jacobs	Nelson, K.	Rodriguez, C.	Vellenga
Clark, J.	Jennings	Neuenschwander	Rodriguez, F.	Welch
Cohen	Kahn	Norton	St. Onge	Wenzel
Coleman	Kalis	O'Connor	Sarna	Wynia
DenOuden	Kelly	Ogren	Scheid	Speaker Sieben
Eken	Knuth	Osthoff	Schoenfeld	
Elioff	Kostohryz	Otis	Segal	

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

Swiggum moved to amend S. F. No. 1234, as amended, as follows:

Page 43, delete sections 13 and 14

Page 52, delete section 25

Renumber the sections and correct all internal cross references as may be required by this amendment

Page 53, delete line 4

Amend the title as follows:

Page 1, line 17, delete "256B.041,"

Page 1, line 18, delete "subdivisions 2 and 5;"

Page 1, line 24, delete ", and by adding a subdivision"

A roll call was requested and properly seconded.

The question was taken on the amendment and the roll was called.

Wynia moved that those not voting be excused from voting. The motion prevailed.

There were 53 yeas and 75 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Fjoslien	Johnson	Onnen	Thiede
Bennett	Frerichs	Knickerbocker	Pauly	Uphus
Bishop	Gruenes	Kvam	Piepho	Valan
Burger	Gutknecht	Levi	Quist	Valento
Carlson, D.	Haukoos	Ludeman	Redalen	Waltman
Dempsey	Heap	Marsh	Schafer	Welker
DenOuden	Heinitz	McDonald	Seaberg	Wenzel
Dimler	Himle	McEachern	Shaver	Wigley
Erickson	Hoberg	McKasy	Sherman	Zaffke
Evans	Hokr	Olsen	Stadum	
Findlay	Jennings	Omann	Swiggum	

Those who voted in the negative were:

Anderson, B.	Bergstrom	Clark, J.	Elioff	Gustafson
Anderson, G.	Berkelman	Clark, K.	Ellingson	Halberg
Battaglia	Brandl	Clawson	Forsythe	Hoffman
Beard	Brinkman	Coleman	Graba	Jacobs
Begich	Carlson, L.	Eken	Greenfield	Kahn

Kalis	Munger	Piper	St. Onge	Swanson
Kelly	Murphy	Price	Sarna	Tomlinson
Knuth	Nelson, D.	Quinn	Scheid	Tunheim
Kostohryz	Nelson, K.	Reif	Schoenfeld	Vanasek
Krueger	Neuenschwander	Rice	Segal	Vellenga
Larsen	O'Connor	Riveness	Simoneau	Voss
Long	Ogren	Rodosovich	Skoglund	Welch
Mann	Osthoff	Rodriguez, C.	Solberg	Welle
Metzen	Otis	Rodriguez, F.	Sparby	Wynia
Minne	Peterson	Rose	Staten	Speaker Sieben

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

Sviggum moved to amend S. F. No. 1234, as amended, as follows:

Pages 62 to 76, delete Article 6 and insert:

“ARTICLE 6

GENERAL ASSISTANCE

Section 1. Minnesota Statutes 1982, section 13.46, subdivision 2, is amended to read:

Subd. 2. [GENERAL.] Unless the data is summary data or a statute specifically provides a different classification, data on individuals collected, maintained, used or disseminated by the welfare system is private data on individuals, and shall not be disclosed except:

- (a) Pursuant to section 13.05;
- (b) Pursuant to a valid court order;
- (c) Pursuant to a statute specifically authorizing access to the private data;
- (d) To an agent of the welfare system, including appropriate law enforcement personnel, who are acting in the investigation, prosecution, criminal or civil proceeding relating to the administration of a program;
- (e) To personnel of the welfare system who require the data to determine eligibility, amount of assistance, and the need to provide services of additional programs to the individual;
- (f) To administer federal funds or programs; or
- (g) Between personnel of the welfare system working in the same program; or

(h) To the Minnesota department of economic security for the purpose of monitoring the eligibility of the data subject for unemployment compensation or for any employment or training program administered by that agency, whether alone or in conjunction with the welfare system.

Sec. 2. Minnesota Statutes 1982, section 268.12, subdivision 12, is amended to read:

Subd. 12. [INFORMATION.] Except as hereinafter otherwise provided, data gathered from any employing unit, employer or individual pursuant to the administration of sections 268.03 to 268.24, and from any determination as to the benefit rights of any individual shall be private data on individuals or nonpublic data not on individuals as defined in section 13.02, subdivisions 9 and 12 and shall not be disclosed except pursuant to this subdivision or pursuant to a valid court order. This private data may be disseminated to and used by the following agencies without the consent of the subject of the data:

(a) State and federal agencies specifically authorized access to the data by state or federal law;

(b) Any agency of this or any other state; or any federal agency charged with the administration of an employment security law or the maintenance of a system of public employment offices;

(c) Local human rights groups within the state which have enforcement powers;

(d) The Minnesota department of revenue on an interchangeable basis with the department of economic security subject to the following restrictions and notwithstanding any law to the contrary:

(1) The department of revenue may have access to department of economic security data on individuals and employing units only to the extent necessary for proper enforcement of tax laws; and

(2) The department of economic security may have access to department of revenue data pertaining only to individuals who have claimed benefits under sections 268.03 to 268.24 and only if the individuals are the subject of investigations based on other information available to the department of economic security. The data provided by the department of revenue shall be limited to the amount of gross income earned by an individual, the total amount of earnings from each employer and the employers' names. Upon receipt of the data, the department of economic security may not disseminate the data to any individual or agency except in connection with a prosecution for violation

of the provisions of sections 268.03 to 268.24. This clause shall not be construed to be a restriction on the exchange of information pertaining to corporations or other employing units to the extent necessary for the proper enforcement of this chapter;

(e) Public and private agencies responsible for administering publicly financed assistance programs for the purpose of monitoring the eligibility of the program's recipients;

(f) The department of labor and industry for the purpose of determining the eligibility of the data subject;

(g) Local and state welfare agencies for monitoring the eligibility of the data subject for assistance programs, *or for any employment or training program administered by those agencies, whether alone, in combination with another welfare agency, or in conjunction with the department of economic security;* and

(h) Local, state and federal law enforcement agencies for the sole purpose of ascertaining the last known address and employment location of the data subject, provided the data subject is the subject of a criminal investigation.

Data on individuals, employers, and employing units which are collected, maintained, or used by the department in an investigation pursuant to section 268.18, subdivision 3 are confidential as to data on individuals and protected nonpublic data as defined in section 13.02, subdivisions 3 and 13 as to nonindividual employers and employing units, and shall not be disclosed except pursuant to statute or valid court order or to a party named in a criminal proceeding, administrative or judicial, for preparation of a defense.

Data on individuals, employers, and employing units which are collected, maintained, or used by the department in the adjudication of a separation or eligibility issue pursuant to the administration of section 268.10, subdivision 2 are confidential as to data on individuals and protected nonpublic data as to nonindividual employers and employing units as defined in section 13.02, subdivisions 3 and 13 and shall not be disclosed except pursuant to the administration of section 268.10, subdivisions 3 to 8 or pursuant to a valid court order.

Aggregate data about employers compiled from individual job orders placed with the department of economic security are nonpublic data as defined in section 13.02, subdivision 9 if the commissioner determines that divulging the data would result in disclosure of the identity of the employer. The general aptitude test battery and the nonverbal aptitude test battery as administered by the department are also classified as nonpublic data.

Data on individuals collected, maintained or created because an individual applies for benefits or services provided by the energy assistance and weatherization programs administered by the department of economic security is private data on individuals and shall not be disseminated except pursuant to section 13.05, subdivisions 3 and 4.

Data gathered by the department pursuant to the administration of sections 268.03 to 268.24 shall not be made the subject or the basis for any suit in any civil proceedings, administrative or judicial, unless the action is initiated by the department.

Sec. 3. Minnesota Statutes 1982, section 256D.05, subdivision 1a, is amended to read:

Subd. 1a. [TEMPORARY STANDARDS.] Notwithstanding the provisions of subdivision 1, from March 24, 1982 until June 30, (1983) 1985, each person or family whose income and resources are less than the standard of assistance established by the commissioner, and who is not eligible for the federally aided assistance programs of emergency assistance or aid to families with dependent children, or any successor to those programs, shall be eligible for and entitled to general assistance if the person or family is:

(a) A person who is suffering from a permanent or temporary illness, injury, or incapacity which is both medically certified and prevents the person from engaging in suitable employment, and who, if the medical certification establishes that the illness, injury, or incapacity is temporary and recommends a reasonable plan for rehabilitation, is following the plan;

(b) A person whose presence in the home on a substantially continuous basis is required because of the certified illness or incapacity of another member of the household;

(c) A person who has been placed in a licensed or certified facility for purposes of physical or mental health or rehabilitation, if the placement is based on illness or incapacity, and is pursuant to a plan developed or approved by the local agency through its director or designated representative;

(d) A person who resides in a shelter facility described in subdivision 3;

(e) A person who is or may be eligible for displaced homemaker services, programs, or assistance under section 4.40. In determining eligibility of the person for general assistance, income received as a stipend shall be disregarded as provided in section 4.40;

(f) A person who is unable to secure suitable employment due to inability to communicate in the English language, and

who, if assigned to a language skills program by the local agency, is participating in that program;

(g) A person not described in clause (a) or (e) who is diagnosed by a licensed physician or licensed consulting psychologist as mentally ill or mentally retarded;

(h) A person who is unable to secure suitable employment due to a lack of marketable skills and who, if assigned to a vocational counseling, vocational rehabilitation, or work training program by the local agency, is participating in that program. Eligibility for general assistance under clause (h) is limited to five weeks per calendar year;

(i) A person who has an application pending for the program of supplemental security income for the aged, blind and disabled or has been terminated from that program and has an appeal from that termination pending, and who has executed an interim assistance authorization agreement pursuant to the provisions of section 256D.06, subdivision 5; or

(j) A person who is unable to secure suitable employment because his advanced age significantly affects his ability to engage in substantial work. This clause is effective January 1, 1983.

This subdivision is repealed July 1, (1983) 1985.

Sec. 4. Minnesota Statutes 1982, section 256D.06, subdivision 5, is amended to read:

Subd. 5. [ELIGIBILITY FOR OTHER BENEFITS; INTERIM ASSISTANCE.] Any applicant, otherwise eligible for general assistance and possibly eligible for maintenance benefits from any other source shall be obligated to (a) make application for those benefits within 30 days of the general assistance application; and (b) execute an interim assistance authorization agreement on a form as directed by the commissioner. If found eligible for benefits from other sources, and a payment received from another source relates to the period during which general assistance was also being received, the recipient shall be required to reimburse the local agency for the interim assistance paid. Reimbursement shall not exceed the amount of general assistance paid during the time period to which the other maintenance benefits apply and shall not exceed the state standard applicable to that time period. *The commissioner shall adopt rules, and may adopt temporary rules, authorizing local agencies to retain from the amount recovered under an interim assistance agreement 25 percent plus actual reasonable costs of litigation and disbursements when the agency has provided special assistance to the recipient in processing the recipient's claim for maintenance benefits from other sources. The funds retained under this section shall be from the state share of the recovery.*

The local agency may contract with qualified persons for special assistance. The rules adopted by the commissioner shall include the methods by which local agencies shall identify, refer, and assist recipients who may be eligible for benefits under the federal programs for the disabled. This (PROVISION) subdivision shall not require repayment of per diem payments made to shelters for battered women pursuant to section 256D.05, subdivision 3.

Sec. 5. Minnesota Statutes 1982, section 256D.09, subdivision 2, is amended to read:

Subd. 2. [RULES FOR RECIPIENTS UNABLE TO MANAGE GRANTS.] Notwithstanding the provisions of subdivision 1, the commissioner shall provide by rule (AND REGULATION), and is authorized to adopt temporary rules, for situations in which *vouchers and vendor payments may be (MADE) issued* by local agencies because of the inability of the recipient to manage his general assistance grant for his own or family's benefit.

Sec. 6. [268A.11] [APPLICATION PROCESS; DETERMINATIONS.]

Any person may apply to the commissioner for services under the small business job creation incentive program or the public service jobs program. Upon receiving an application, the commissioner shall promptly determine the person's eligibility for services under the programs, the person's ability to successfully perform a job available through one of the programs, and the person's eligibility for an allowance pursuant to section 17. In determining the eligibility of a person for the allowance, the commissioner shall apply the standards set forth in sections 256D.01 to 256D.21. If the commissioner finds at any time that a person is not eligible for services under the jobs programs or if the commissioner determines after a three-month period that the person is unlikely to secure a job through one of the jobs programs, then the commissioner shall issue a written determination stating the findings. If the commissioner finds at any time, pursuant to standards established by the commissioner by rule or temporary rule, that a person is not able to successfully perform a job available through one of the jobs programs, the commissioner shall issue a written determination stating the findings and explaining the person's right to appeal pursuant to section 18.

Sec. 7. [268A.12] [PAYMENT OF ALLOWANCE.]

A person accepted pursuant to section 16 for participation in the small business job creation incentive program or the public service jobs program and determined by the commissioner to satisfy the standards set forth in sections 256D.01 to 256D.21 shall be paid a cash allowance by the commissioner. The commis-

sioner shall adopt a permanent or temporary rule establishing the amounts of allowances to be paid pursuant to this section. The initial allowance shall be paid to the person as soon as administratively feasible.

Sec. 8. [268A.13] [APPEAL PROCEDURE.]

A person aggrieved by a determination issued pursuant to section 16 that the person is not able to successfully perform a job available through the small business job creation incentive program or the public service jobs program may appeal that determination in accordance with the time limits and procedures applicable to the work incentive program, as prescribed in section 256.736, subdivision 4, clause (4). If otherwise eligible under section 7, the person shall receive the allowance prescribed by section 7 until a final decision on the appeal is rendered.

Sec. 9. [REPEALER.]

Minnesota Statutes 1982, sections 256D.02, subdivision 14; and 256D.06, subdivision 1a, are repealed.

Sec. 10. [EFFECTIVE DATE.]

Sections 1 to 9 are effective the day following final enactment."

A roll call was requested and properly seconded.

The question was taken on the amendment and the roll was called.

Wynia moved that those not voting be excused from voting. The motion prevailed.

There were 47 yeas and 75 nays as follows:

Those who voted in the affirmative were:

Bennett	Gutknecht	Kvam	Piepho	Uphus
Burger	Halberg	Levi	Quist	Valan
Dempsey	Haukoos	Ludeman	Redalen	Valento
DenOuden	Heap	Marsh	Rose	Waltman
Dimler	Heinitz	McDonald	Schafer	Weiker
Erickson	Himle	McKasy	Seaberg	Wigley
Findlay	Hoberg	Olsen	Shaver	Zaffke
Fjoslien	Jennings	Omann	Stadum	
Frerichs	Johnson	Onnen	Sviggum	
Gruenes	Knickerbocker	Pauly	Thiede	

Those who voted in the negative were:

Anderson, R.	Begich	Brinkman	Clark, J.	Cohen
Battaglia	Berkelman	Carlson, D.	Clark, K.	Coleman
Beard	Brandl	Carlson, L.	Clawson	Eken

Elioff	Kostohryz	Norton	Rodosovich	Sparby
Ellingson	Krueger	O'Connor	Rodriguez, C.	Staten
Evans	Larsen	Ogren	Rodriguez, F.	Swanson
Forsythe	Long	Osthoff	St. Onge	Tomlinson
Graba	Mann	Otis	Sarna	Tunheim
Greenfield	McEachern	Peterson	Scheid	Vanasek
Gustafson	Metzen	Piper	Schoenfeld	Vellenga
Hoffman	Minne	Price	Segal	Voss
Jacobs	Murphy	Quinn	Sherman	Welle
Kahn	Nelson, D.	Reif	Simoneau	Wenzel
Kelly	Nelson, K.	Rice	Skoglund	Wynia
Knuth	Neuenschwander	Riveness	Solberg	Speaker Sieben

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

Valan, Findlay, Hoberg, Evans, Fjoslien and Anderson, R., moved to amend S. F. No. 1234, as amended, as follows:

Page 8, line 44, strike "\$8,845,400" and insert "\$8,874,200"

Page 8, line 44, strike "\$9,056,100" and insert "\$9,074,900"

The question was taken on the amendment and the roll was called.

Ludeman moved that those not voting be excused from voting. The motion prevailed.

There were 67 yeas and 59 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Frerichs	Kelly	Picpho	Thiede
Bennett	Graba	Knickerbocker	Quist	Tunheim
Berkelman	Gruenes	Krueger	Redalen	Uphus
Bishop	Gustafson	Kvam	Rodosovich	Valan
Brinkman	Gutknecht	Ludeman	Rose	Valento
Burger	Halberg	Marsh	Schafer	Voss
Carlson, D.	Haukoos	McDonald	Schoenfeld	Waltman
Coleman	Heap	McKasy	Seaberg	Welker
Dempsey	Heinitz	Munger	Segal	Wenzel
Dimler	Himle	Neuenschwander	Sherman	Wigley
Erickson	Hoberg	Olsen	Solberg	Zaffke
Evans	Hokr	Omann	Sparby	
Findlay	Jennings	Onnen	Stadum	
Fjoslien	Johnson	Pauly	Sviggum	

Those who voted in the negative were:

Anderson, B.	Eken	Mann	Peterson	Simoneau
Anderson, G.	Elioff	McEachern	Piper	Skoglund
Battaglia	Ellingson	Metzen	Price	Staten
Beard	Greenfield	Minne	Quinn	Swanson
Begich	Hoffman	Murphy	Rice	Tomlinson
Bergstrom	Jacobs	Nelson, D.	Riveness	Vanasek
Brandl	Kahn	Nelson, K.	Rodriguez, C.	Vellenga
Carlson, L.	Kalis	Norton	Rodriguez, F.	Welch
Clark, J.	Knuth	O'Connor	St. Onge	Welle
Clark, K.	Kostohryz	Ogren	Sarna	Wynia
Clawson	Larsen	Osthoff	Scheid	Speaker Sieben
Cohen	Long	Otis	Shea	

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

Frerichs moved to amend S. F. No. 1234, as amended, as follows:

Page 42, line 29, delete everything after "*Establish*"

Page 42, line 30, delete "*basis*" and insert "*The commissioner shall study the effect of*"

Page 42, line 36, delete "*implementing*" and insert "*studying*"

Page 43, line 2, delete "*The*"

Page 43, delete lines 3 to 8 and insert "*The commissioner shall submit the results of the study to the legislature by January 15, 1984.*"

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

Jennings moved to amend S. F. No. 1234, as amended, as follows:

Page 53, delete lines 20 to 25

Page 55, line 14, delete "*and all of the funds available for allocation*"

Page 55, delete line 15

Page 59, delete lines 30 to 36

Page 60, delete lines 1 to 29

Page 61, line 21, delete "*Remaining funds may be*"

Page 61, delete lines 22 to 35

Page 62, line 5, after "*section 4*" delete "*or*" and insert a period

Page 62, line 6, delete "*to sponsors of public service jobs under section 8.*"

Renumber clauses, sections as necessary

Correct internal references

A roll call was requested and properly seconded.

The question was taken on the amendment and the roll was called.

Wynia moved that those not voting be excused from voting. The motion prevailed.

There were 55 yeas and 72 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Fjoslien	Hokr	McKasy	Shaver
Bennett	Forsythe	Jennings	Omann	Stadum
Bishop	Frerichs	Johnson	Onnen	Sviggum
Burger	Gruenes	Kalis	Pauly	Thiede
Carlson, D.	Gutknecht	Knickerbocker	Piepho	Uphus
Dempsey	Halberg	Kvam	Quist	Valan
DenOuden	Haukoos	Levi	Redalen	Valento
Dimler	Heap	Ludeman	Reif	Waltman
Erickson	Heinitz	Marsh	Rose	Welker
Evans	Himle	McDonald	Schafer	Wigley
Findlay	Hoberg	McEachern	Seaberg	Zaffke

Those who voted in the negative were:

Battaglia	Ellingson	Minne	Rice	Staten
Beard	Graba	Munger	Riveness	Swanson
Begich	Greenfield	Murphy	Rodosovich	Tomlinson
Bergstrom	Gustafson	Nelson, D.	Rodriguez, C.	Tunheim
Berkelman	Hoffman	Nelson, K.	Rodriguez, F.	Vanasek
Brandl	Jacobs	Neuenschwander	St. Onge	Vellenga
Brinkman	Kahn	Norton	Sarna	Voss
Carlson, L.	Kelly	O'Connor	Scheid	Welch
Clark, J.	Knuth	Ogren	Schoenfeld	Welle
Clark, K.	Kostohryz	Osthoff	Segal	Wenzel
Clawson	Krueger	Otis	Sherman	Wynia
Cohen	Larsen	Peterson	Simoneau	Speaker Sieben
Coleman	Long	Piper	Skoglund	
Eken	Mann	Price	Solberg	
Elioff	Metzen	Quinn	Sparby	

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

Burger moved to amend S. F. No. 1234, as amended, as follows:

Page 13, after line 23, insert:

“Sec. 11. [APPROPRIATION REDUCTION.]

Notwithstanding any modification of the provisions of the other sections of this bill, every appropriation specified in sections 1 to 10 shall be reduced by 5 percent of the amount stated. All benefits and administrative costs to be paid in whole or in part from the appropriations in this bill shall be reduced pro

rata to allow implementation of all programs at a level of 95 percent."

Renumber sections as necessary

A roll call was requested and properly seconded.

The question was taken on the amendment and the roll was called.

Wynia moved that those not voting be excused from voting. The motion prevailed.

There were 54 yeas and 70 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Findlay	Hoberg	Olsen	Shaver
Bennett	Fjoslien	Hokr	Omann	Stadum
Bishop	Forsythe	Jennings	Onnen	Svigum
Brinkman	Frerichs	Johnson	Pauly	Thiede
Burger	Gruenes	Knickerbocker	Piepho	Uphus
Carlson, D.	Gutknecht	Kvam	Quist	Valan
Dempsey	Halberg	Levi	Redalen	Valento
DenOuden	Haukoos	Ludeman	Reif	Waltman
Dimler	Heap	Marsh	Rose	Welker
Erickson	Heinitz	McDonald	Schafer	Wigley
Evans	Himle	McKasy	Seaberg	

Those who voted in the negative were:

Anderson, B.	Ellingson	Metzen	Price	Solberg
Battaglia	Graba	Minne	Quinn	Sparby
Beard	Greenfield	Munger	Rice	Staten
Begich	Gustafson	Murphy	Riveness	Swanson
Bergstrom	Hoffman	Nelson, D.	Rodosovich	Tomlinson
Berkelman	Jacobs	Nelson, K.	Rodriguez, C.	Tunheim
Brandl	Kahn	Neuenschwander	Rodriguez, F.	Vanasek
Carlson, L.	Kelly	Norton	St. Onge	Vellenga
Clark, J.	Knuth	O'Connor	Scheid	Voss
Clark, K.	Kostohryz	Ogren	Schoenfeld	Welch
Clawson	Krueger	Osthoff	Segal	Welle
Coleman	Larsen	Otis	Sherman	Wenzel
Eken	Long	Peterson	Simoneau	Wynia
Elioff	Mann	Piper	Skoglund	Speaker Sieben

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

DenOuden moved to amend S. F. No. 1234, as amended, as follows:

Page 6, line 52, delete "71,446,900 56,510,600" and insert "63,946,900 49,010,600"

Page 7, line 1, delete "47,970,000 32,200,000" and insert "40,470,000 24,700,000"

Page 8, line 14, delete "78,676,900 79,767,900" and insert "86,176,900 87,267,900"

Page 9, line 16, delete "54,027,500 55,748,900" and insert "61,527,500 63,248,900"

Page 9, after line 16, insert:

"Of this appropriation \$7,500,000 for fiscal year 1984 and \$7,500,000 for fiscal year 1985 are appropriated for construction of a new women's correctional facility at Shakopee."

A roll call was requested and properly seconded.

The question was taken on the amendment and the roll was called.

Wynia moved that those not voting be excused from voting. The motion prevailed.

There were 56 yeas and 71 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Fjoslien	Jennings	Onnen	Thiede
Anderson, G.	Forsythe	Johnson	Pauly	Uphus
Bennett	Frerichs	Knickerbocker	Quist	Valan
Bishop	Gruenes	Kvam	Redalen	Valento
Burger	Gutknecht	Levi	Reif	Waltman
Carlson, D.	Halberg	Ludeman	Rose	Welker
Dempsey	Haukoos	Marsh	Schafer	Wigley
DenOuden	Heap	McDonald	Seaberg	Zaffke
Dimler	Heinitz	McEachern	Shaver	
Erickson	Himle	McKasy	Sherman	
Evans	Hoberg	Olsen	Stadum	
Findlay	Hokr	Omann	Sviggum	

Those who voted in the negative were:

Anderson, R.	Ellingson	Metzen	Rice	Swanson
Battaglia	Graba	Minne	Riveness	Tomlinson
Beard	Greenfield	Munger	Rodosovich	Tunheim
Begich	Gustafson	Murphy	Rodriguez, C.	Vanasek
Bergstrom	Hoffman	Nelson, D.	Rodriguez, F.	Vellenga
Berkelman	Jacobs	Neuenschwander	St. Onge	Voss
Brandl	Kahn	Norton	Sarna	Welch
Brinkman	Kalis	O'Connor	Scheid	Welle
Carlson, L.	Kelly	Ogren	Schoenfeld	Wenzel
Clark, J.	Knuth	Osthoff	Segal	Wynia
Clark, K.	Kostohryz	Otis	Simoneau	Speaker Sieben
Clawson	Krueger	Peterson	Skoglund	
Cohen	Larsen	Piper	Solberg	
Eken	Long	Price	Sparby	
Elioff	Mann	Quinn	Staten	

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

DenOuden offered an amendment to S. F. No. 1234, as amended.

POINT OF ORDER

Vanasek raised a point of order pursuant to section 402, paragraph 6, of "Mason's Manual of Legislative Procedure" that the amendment was not in order. The Speaker ruled the point of order well taken and the amendment out of order:

DenOuden moved to amend S. F. No. 1234, as amended, as follows:

Page 2, line 11, delete "\$920,539,300 \$973,469,400 \$1,894,008,700" and insert "\$919,599,300 \$971,569,400 \$1,891,168,700"

Page 2, line 20, delete "\$742,210,500 \$810,255,500" and insert "\$741,270,500 \$808,355,500"

Page 4, line 7, delete "626,328,000 693,317,200" and insert "625,388,000 691,417,200"

Page 4, line 14, delete "\$137,840,900 \$151,508,600" and insert "\$136,900,900 \$149,608,600"

Page 4, line 41, delete "five" and insert "four"

Page 4, line 42, delete "five" and insert "four"

A roll call was requested and properly seconded.

Cohen moved to amend the DenOuden amendment to S. F. No. 1234, as amended, as follows:

Add the following to the DenOuden amendment:

Page 35, line 18, strike "eight" and insert "four"

A roll call was requested and properly seconded.

The question was taken on the amendment to the amendment and the roll was called.

Wynia moved that those not voting be excused from voting. The motion prevailed.

There were 73 yeas and 44 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Battaglia	Begich	Bergstrom	Burger
Anderson, G.	Beard	Bennett	Brinkman	Carlson, D.

Carlson, L.	Johnson	Munger	Rodriguez, F.	Stadum
Clark, J.	Kahn	Nelson, D.	Rose	Staten
Clark, K.	Kalis	Nelson, K.	Sarna	Swanson
Cohen	Kelly	Neuenschwander	Schafer	Uphus
Coleman	Kostohryz	O'Connor	Schoenfeld	Valan
Dempsey	Krueger	Ogren	Seaberg	Valento
Dimler	Kvam	Olsen	Segal	Welch
Findlay	Larsen	Otis	Shea	Welker
Fjoslien	Ludeman	Peterson	Sherman	Welle
Graba	Marsh	Piepho	Simoneau	Wenzel
Greenfield	McDonald	Piper	Skoglund	Wigley
Hoffman	McEachern	Price	Solberg	
Jensen	Metzen	Redalen	Sparby	

Those who voted in the negative were:

Anderson, R.	Gruenes	Knuth	Pauly	Thiede
Bishop	Gustafson	Mann	Quinn	Tomlinson
Brandl	Gutknecht	McKasy	Quist	Tunheim
DenOuden	Haukoos	Minne	Reif	Vanasek
Eken	Heap	Murphy	Rice	Voss
Elioff	Heintz	Norton	Riveness	Waltman
Ellingson	Hoberg	Omänn	Rodosovich	Wynia
Evans	Jacobs	Onnen	St. Onge	Speaker Sieben
Forsythe	Jennings	Osthoff	Shaver	

The motion prevailed and the amendment to the amendment was adopted.

The question recurred on the DenOuden amendment, as amended by the Cohen amendment and the roll was called.

Wynia moved that those not voting be excused from voting. The motion prevailed.

There were 36 yeas and 87 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Erickson	Hokr	Ogren	Waltman
Bennett	Findlay	Jennings	Omänn	Welker
Burger	Fjoslien	Johnson	Piepho	Wigley
Carlson, D.	Frerichs	Kalis	Redalen	Zaffke
Cohen	Gutknecht	Kvam	Schafer	
Dempsey	Haukoos	Ludeman	Seaberg	
DenOuden	Heap	Marsh	Thiede	
Dimler	Hoberg	O'Connor	Valento	

Those who voted in the negative were:

Anderson, R.	Carlson, L.	Forsythe	Jensen	McEachern
Battaglia	Clark, J.	Graba	Kahn	Metzen
Beard	Clark, K.	Greenfield	Kelly	Minne
Begich	Clawson	Gruenes	Knuth	Munger
Bergstrom	Coleman	Gustafson	Kostohryz	Murphy
Berkelman	Eken	Heintz	Krueger	Nelson, D.
Bishop	Elioff	Himle	Larsen	Nelson, K.
Brandl	Ellingson	Hoffman	Long	Neuenschwander
Brinkman	Evans	Jacobs	Mann	Norton

Olsen	Quist	Scheid	Sparby	Vose
Onnen	Reif	Schoenfeld	Stadium	Welch
Osthoff	Rice	Segal	Staten	Welle
Otis	Riveness	Shaver	Swanson	Wenzel
Pauly	Rodosovich	Shea	Tomlinson	Wynia
Peterson	Rodriguez, C.	Sherman	Tunheim	Speaker Sieben
Piper	Rodriguez, F.	Simoneau	Valan	
Price	St. Onge	Skoglund	Vanasek	
Quinn	Sarna	Solberg	Veilenga	

The motion did not prevail and the amendment, as amended, was not adopted.

Heap moved to amend S. F. No. 1234, as amended, as follows:

Page 62, line 2, after "sections 3 and 8." delete the balance of the line

Page 62, delete lines 3 to 12 and insert: *"The commissioner is instructed to allocate no more than 5% for overall administration cost and disburse the balance 95% to small businesses for the purpose of job creation."*

A roll call was requested and properly seconded.

The question was taken on the amendment and the roll was called.

Wynia moved that those not voting be excused from voting. The motion prevailed.

There were 54 yeas and 75 nays as follows:

Those who voted in the affirmative were:

Bennett	Forsythe	Jennings	Pauly	Shea
Bishop	Frerichs	Johnson	Piepho	Stadium
Blatz	Gruenes	Knickerbocker	Quist	Sviggum
Burger	Gutknecht	Kvam	Redalen	Thiede
Carlson, D.	Halberg	Ludeman	Reif	Uphus
Dempsey	Haukoos	Marsh	Rose	Valan
DenOuden	Heap	McDonald	Schafer	Valento
Dimler	Heinitz	McKasy	Schoenfeld	Waltman
Erickson	Himle	Olsen	Schreiber	Welker
Findlay	Hoberg	Omman	Seaberg	Wigley
Fjoslien	Hokr	Onnen	Shaver	

Those who voted in the negative were:

Anderson, B.	Carlson, L.	Ellingson	Kahn	Mann
Anderson, C.	Clark, J.	Evans	Kalis	McEachern
Anderson, R.	Clark, K.	Graba	Kelly	Metzen
Battaglia	Clawson	Greenfield	Knuth	Minne
Beard	Cohen	Gustafson	Kostohryz	Munger
Begich	Coleman	Hoffman	Krueger	Murphy
Brandl	Eken	Jacobs	Larsen	Neilson, D.
Brinkman	Elioff	Jensen	Long	Neilson, K.

Neuenschwander	Piper	Rodriguez, F.	Solberg	Vellenga
Norton	Price	St. Onge	Sparby	Voss
O'Connor	Quinn	Scheid	Staten	Welch
Ogren	Rice	Segal	Swanson	Welle
Osthoff	Riveness	Sherman	Tomlinson	Wenzel
Otis	Rodosovich	Simoneau	Tunheim	Wynia
Peterson	Rodriguez, C.	Skoglund	Vanasek	Speaker Sieben

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

Brinkman moved to amend S. F. No. 1234, as amended, as follows:

Page 19, after line 29, insert:

"Sec. 22. Laws 1982, chapter 614, section 13, is amended to read:

Sec. 13. [EFFECTIVE DATE.]

Sections 1, 3 to 7 and 11 are effective the day following enactment. Section 2 shall become effective for a specified provider group on March 1, 1983 if the commissioner of health certifies to the health and welfare committees of the house and senate that the voluntary efforts by the provider group to promote price competition and to implement the reporting requirements of section 2 have not made satisfactory progress. This certification shall take the form of a written report delivered to the chairmen of the house and senate committees by January 2, 1983. Notice of the date of the delivery shall be published in the state register. Sections 8 to 10 and 12 are effective (MARCH 15) *June 30, 1984.*"

Renumber subsequent sections

Amend the title as follows:

Page 95, line 29, after "1;" insert "Laws 1982, chapter 614, section 13;"

The motion prevailed and the amendment was adopted.

S. F. No. 1234, A bill for an act relating to the organization and operation of state government; appropriating money for welfare, corrections, health, and other purposes with certain conditions; providing appropriations for the departments of public welfare, economic security, corrections, health, sentencing guidelines commission, corrections ombudsman, and health related boards; providing an entitlement to certain child care services; increasing marriage license and dissolution fees; providing for distribution of federal maternal and child health block grant money; requiring cost increase limits and other cost

containment measures in medical care programs; amending eligibility standards; changing general assistance to allow flat grants, employment through grant diversion and work registration requirements, and federal benefit application incentives; providing for job training for certain persons; appropriating money for welfare, corrections, health, and other purposes with certain conditions; providing appropriations for the departments of public welfare, economic security, corrections, health, sentencing guidelines commission, corrections ombudsman, and health related boards; amending Minnesota Statutes 1982, sections 129A.03; 144.653, subdivision 2; 144A.04, subdivision 5; 144A.10, subdivision 2; 145.882; 145.921, subdivision 1; 245.62; 245.66; 245.83; 245.84, subdivisions 1, 2, and 5; 245.85; 245.86; 245.87; 256.045, subdivision 3; 256.82, by adding a subdivision; 256.966, subdivision 1; 256.968; 256B.02, subdivision 8; 256B.04, subdivision 14, and by adding a subdivision; 256B.06, subdivision 1; 256B.07; 256B.14, subdivision 2; 256B.17, subdivision 4, and by adding subdivisions; 256B.27, subdivision 3; 256B.48, by adding a subdivision; 256D.01, subdivision 1; 256D.02, subdivision 4; 256D.03, subdivisions 3 and 4, and by adding subdivisions; 256D.05, subdivision 1a; 256D.06, subdivision 5; 256D.09, subdivision 2, and by adding a subdivision; 260.191, subdivision 2; 260.242, subdivision 2; 261.23; 357.021, subdivisions 2 and 2a; 401.14, by adding a subdivision; 401.15, subdivision 1; 517.08, subdivisions 1b and 1c; proposing new law coded in Minnesota Statutes, chapters 145; 252; 256; 256B; 256D; and 268; repealing Minnesota Statutes 1982, sections 256D.02, subdivision 14; 256D.05, subdivision 1a; 256D.06, subdivision 1a; 256D.22; and Laws 1981, chapter 360, article II, section 54, as amended.

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.

Eken moved that those not voting be excused from voting. The motion prevailed.

There were 75 yeas and 58 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Clark, K.	Jacobs	Metzen	Otis
Anderson, G.	Clawson	Jensen	Minne	Peterson
Battaglia	Cohen	Kahn	Munger	Piper
Beard	Coleman	Kalis	Murphy	Price
Begich	Eken	Kelly	Nelson, D.	Quinn
Bergstrom	Elioff	Knuth	Nelson, K.	Rice
Berkelman	Ellingson	Kostohryz	Neuenschwander	Riveness
Brandl	Graba	Krueger	Norton	Rodosovich
Brinkman	Greenfield	Larsen	O'Connor	Rodriguez, C.
Carlson, L.	Gustafson	Long	Ogren	Rodriguez, F.
Clark, J.	Hoffman	Mann	Osthoff	St. Onge

Sarna	Simoneau	Staten	Vanasek	Welle
Scheid	Skoglund	Swanson	Vellenga	Wenzel
Segal	Solberg	Tomlinson	Voss	Wynia
Shea	Sparby	Tunheim	Welch	Speaker Sieben

Those who voted in the negative were:

Anderson, R.	Fjoslien	Jennings	Pauly	Stadum
Bennett	Forsythe	Johnson	Piepho	Sviggum
Bishop	Frerichs	Knickerbocker	Quist	Thiede
Blatz	Cruenes	Kvam	Redalen	Uphus
Burger	Gutknecht	Levi	Reif	Valan
Carlson, D.	Halberg	Ludeman	Rose	Valento
Dempsey	Haukeos	Marsh	Schafer	Waltman
DenOuden	Heap	McDonald	Schoenfeld	Welker
Dimler	Heinitz	McKasy	Schreiber	Wigley
Erickson	Himle	Olsen	Seaberg	Zaffke
Evans	Hoberg	Omann	Shaver	
Findlay	Hokr	Onnen	Sherman	

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

There being no objection the order of business reverted to Messages from the Senate.

MESSAGES FROM THE SENATE

The following messages were received from the Senate:

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. 251, A bill for an act relating to retirement; police and salaried firefighters relief associations; modifying the governance of the trust funds after the local relief association ceases to exist; updating obsolete language; clarifying ambiguous language; amending Minnesota Statutes 1982, section 423A.01, subdivisions 2 and 4.

The Senate has appointed as such committee Messrs. Frederickson, Spear and Peterson, C. 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. 521, A bill for an act relating to financial institutions; providing for the payment of hearing costs on contested applications; including credit union share insurance corporations and industrial loan and thrift guarantee issuers in the group of organizations permitted to receive examination reports; removing the requirement that a financial institution's board of directors hold qualifying shares; clarifying limitations on junior mortgage loans by banks; establishing application fees; removing a certain filing requirement; reducing the number of savings association incorporators; clarifying the notice requirements for savings association conversions; clarifying the industrial loan and thrift company lending limit and increasing the capital to deposit limitation; providing first installment requirements for regulated lenders and motor vehicle sales finance companies; providing credit insurance disclosure requirements for regulated lenders; clarifying financial corporation organizational requirements; amending Minnesota Statutes 1982, sections 45.04, subdivision 1; 46.07, subdivision 2; 47.54, subdivision 1; 48.06; 48.19, subdivision 1; 48.68; 49.36, subdivision 1; 49.37; 51A.03, subdivisions 1 and 4; 51A.065, subdivision 4; 51A.13, subdivisions 2 and 2a; 51A.23, subdivisions 6 and 7; 51A.51, subdivisions 2 and 3a; 52.203; 53.01; 53.03, subdivisions 1, 5, and 6; 53.04, subdivision 3a; 53.05; 53.06; 56.001, subdivision 3; 56.131, subdivision 1; 56.155, subdivision 1; 168.72, subdivision 1; 300.025; and 300.20; proposing new law coded in Minnesota Statutes, chapter 47.

The Senate has appointed as such committee Messrs. Solon, Laidig and Freeman.

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. 1259, A bill for an act relating to the operation of government in this state; modifying the definition of gross income; adopting federal definitions of itemized deductions; updating the references to the Internal Revenue Code; extending the duration of the temporary income tax surtax and changing its computation; modifying the deduction of federal income taxes; assigning certain gambling winnings by nonresidents to Minnesota; imposing withholding tax on certain gambling win-

nings and horse racing purses; repealing certain income tax credits for pollution control expenditures; limiting the subtraction for unemployment compensation; providing for timely payment of withholding income taxes; modifying the dependent care credit; providing for certain studies; changing the refund method for the sales tax on electricity used in agricultural production; clarifying the uses of funds from the non-game wildlife checkoff; making the six percent sales and use tax rate permanent; increasing the motor vehicle excise tax rate to six percent; modifying the enterprise zone law; providing for state tax incentives in enterprise zones; limiting the number of enterprise zones; reducing the corporate income tax rate; eliminating the deduction for certain income and franchise taxes paid by corporations; changing the deduction for corporate capital gains; providing small business investment credits; providing an additional research credit; modifying the definition of market value; requiring additional information on the certificate of value; mandating that homestead affidavits be filed in all counties; requiring that all contracts for deed be recorded; restricting the use of sales ratio studies as evidence; eliminating the agricultural mill rate credit on farm homes; increasing the agricultural mill rate credit on certain property and providing a maximum credit amount; clarifying the property classification for certain timber property; modifying the wetlands credit; modifying the utility property tax credit; changing certain property tax classification ratios; exempting contracts for deed from the mortgage registry tax and providing penalties for failure to file; exempting cities and towns with populations under 5,000 from levy limitations; modifying the method by which levy limitations are calculated; adding a special levy for certain county purposes; establishing a new homestead credit formula for certain homestead property; modifying the property tax refund formula and increasing the maximum credit; changing the payment dates for the property tax refund; altering the sales tax on liquor, wine, and beer; changing the excise tax credit on fermented malt beverages; delaying the effective date of the rent capitalization method used in assessing agricultural land; repealing the native prairie credit and reimbursement; repealing the wetlands reimbursement; modifying school district cash flow; establishing school aid payment dates for fiscal year 1985 and thereafter; requiring that property taxes be paid 15 days earlier; altering property tax settlement dates; modifying the local government aids distribution formula for counties, cities, and towns; phasing out attached machinery aids and reduced assessment aids; enacting the multi-state tax compact; changing the definition of basic cost of cigarettes for purposes of the unfair cigarette sales act; appropriating money; amending Minnesota Statutes 1982, sections 116J.42, subdivision 7; 124.2137, subdivision 1; 272.02, subdivision 1; 272.03, subdivision 8; 272.115, subdivision 1; 273.11, subdivision 1; 273.115, subdivisions 1, 2, and 3; 273.13, subdivisions 6, 6a, 7, 8a, 9, 11, 14a, 17, 17b, 17c, 20, and by adding a subdivision; 273.1312, subdivisions 2, 3, 4, and 5; 273.1313, subdivisions 1, 2, 3, and 5; 273.138, by adding a subdivision; 273.139, by adding a subdivision; 275.50, subdivision 2,

and by adding subdivisions; 275.51, by adding subdivisions; 275.53, by adding a subdivision; 276.09; 276.10; 276.11; 278.01, subdivisions 1 and 2; 278.03; 278.05, subdivisions 4 and 5; 279.01, subdivision 1; 287.05, subdivision 1; 290.01, subdivisions 19, 20, 20a, as amended, 20b, as amended, and 20f; 290.05, subdivision 6; 290.06, subdivisions 1, 2e, as amended, 11, and 14; 290.067, subdivisions 1 and 2; 290.068, by adding a subdivision; 290.09, subdivisions 1, 2, 3, as amended, 4, 5, 28, and 29; 290.091; 290.14; 290.16; subdivision 4; 290.17, subdivision 2; 290.18, subdivisions 1 and 2; 290.21, subdivisions 1 and 3; 290.23, subdivision 5; 290.31, subdivisions 2 and 3; 290.39, subdivision 2; 290.431; 290.46; 290.92, subdivisions 2a, 6, and by adding subdivisions; 290A.03, subdivisions 3, 6, 8, 11, 13, as amended, and by adding a subdivision; 290A.04, subdivisions 1, 2, 2a, 2b, and 3; 290A.07, subdivision 2a; 290A.16; 290A.18; 290A.19; 297A.02, as amended; 297A.03, subdivision 2, as amended; 297A.14, as amended; 297A.35, subdivision 3; 297B.02, as amended; 325D.32, subdivision 9; 340.14, subdivision 1; 340.47, subdivision 2; 473F.08, subdivision 7a; 477A.011, subdivisions 6, 7, 10, and by adding subdivisions; 477A.012; 477A.013; 477A.014, subdivision 1; and Laws 1981, First Special Session chapter 1, article II, section 25; and Third Special Session chapter 2, article III, section 22, as amended; proposing new law coded in Minnesota Statutes, chapters 116C; 124; 273; 290; 477A; and 507; repealing Minnesota Statutes 1982, sections 273.116; 273.138, subdivisions 1, 2, 3, 4, 5, and 6; 273.139, subdivisions 1 and 2; 273.42, subdivision 2; 273.425; 275.51, subdivisions 3e and 5; 290.01, subdivisions 23, 27, and 28; 290.032, subdivision 5; 290.06, subdivisions 9 and 9a; 290.077, subdivision 2; 290.08, subdivision 25; 290.09, subdivisions 10, 15, 22, and 27; 290.21, subdivision 3a; 290.501; 290A.07, subdivision 3; 340.986; 352C.07; 477A.011, subdivisions 8 and 9; and Laws 1982, chapter 523, article VII, section 3; and Third Special Session chapter 1, article V, section 4.

The Senate has appointed as such committee Messrs. Johnson, D. J.; Peterson, C. C., Ms. Berglin, Messrs. Dieterich and Novak.

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. 1283, A bill for an act relating to the organization and operation of state government; appropriating money for education and related purposes to the department of education,

higher education coordinating board, state university board, state community college board, University of Minnesota, and the Mayo medical foundation, with certain conditions; establishing a state board of vocational technical education; providing it and certain independent and intermediate school districts operating vocational technical schools with certain powers and duties; changing the authority and duties of the above named agencies, or one or more of them, or certain of their advisory councils with respect to governance, duration of existence, disposition of property, employment and compensation of personnel, tuition, institutional closings, gifts, appropriations, parking fees, scholarships, grants-in-aid, planning, hospital charges, and related educational matters; amending Minnesota Statutes 1982, sections 43A.18, subdivision 4; 120.17, subdivision 7a; 121.212, subdivision 2; 121.931, subdivision 7; 121.934, subdivision 2; 123.742, by adding a subdivision; 123.743; 124.48; 125.05, by adding a subdivision; 136.03; 136.034; 136.11, subdivision 1; 136.144; 136.62, by adding a subdivision; 136.63, subdivision 1a; 136.67, by adding a subdivision; 136A.121; 136A.14; 136A.141; 136A.143; 136A.15; 136A.16; 136A.17; 136A.26; 136A.29, subdivisions 2 and 9; 136A.42; and 158.05; proposing new law coded in Minnesota Statutes, chapters 136 and 136A; proposing new law coded as Minnesota Statutes, chapter 135A; and 136C; repealing Minnesota Statutes 1982, sections 121.11, subdivision 1; 121.217; 121.902, subdivision 1a; 121.936, subdivision 6; 124.53; 136A.144; 136A.145; 136A.146; 136A.161; 136A.18; 136A.19; 136A.20; 136A.21; and 136A.22.

PATRICK E. FLAHAVEN, Secretary of the Senate

Rice moved that the House refuse to concur in the Senate amendments to H. F. No. 1233, 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 that the Senate refuses to concur in the House amendment to:

S. F. No. 1003, A bill for an act relating to public welfare; establishing a medical assistance social health maintenance organization demonstration project; proposing new law coded in Minnesota Statutes, chapter 256B.

The Senate respectfully requests that a Conference Committee be appointed thereon. The Senate has appointed as such committee Mr. Petty, Ms. Berglin and Mr. Knutson.

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

Brandl 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. 1003. The motion prevailed.

ANNOUNCEMENTS BY THE SPEAKER

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 1003:

Brandl, Onnen and Greenfield.

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 289:

O'Connor, Osthoff and Kelly.

SPECIAL ORDERS

Eken moved that the bills on Special Orders for today be continued one day. The motion prevailed.

GENERAL ORDERS

Eken moved that the bills on General Orders for today be continued one day. The motion prevailed.

ADJOURNMENT

Eken moved that when the House adjourns today it adjourn until 12:00 noon, Thursday, May 12, 1983. The motion prevailed.

Eken moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 12:00 noon, Thursday, May 12, 1983.

EDWARD A. BURDICK, Chief Clerk, House of Representatives

STATE OF MINNESOTA

SEVENTY-THIRD SESSION - 1983

FIFTY-SECOND DAY

SAINT PAUL, MINNESOTA, THURSDAY, MAY 12, 1983

The House of Representatives convened at 12:00 noon and was called to order by Harry A. Sieben, Jr., Speaker of the House.

Prayer was offered by Pastor Marvin Sandness, Christ Lutheran Church, Capitol Hill, St. Paul, Minnesota.

The roll was called and the following members were present:

Anderson, B.	Evans	Kostohryz	Pauly	Skoglund
Anderson, G.	Findlay	Krueger	Peterson	Solberg
Anderson, R.	Fjoslien	Kvam	Piepho	Sparby
Battaglia	Forsythe	Larsen	Piper	Stadum
Beard	Frerichs	Levi	Price	Staten
Begich	Graba	Long	Quinn	Sviggum
Bennett	Greenfield	Ludeman	Quist	Swanson
Bergstrom	Gruenes	Mann	Redalen	Thiede
Berkelman	Gustafson	Marsh	Reif	Tomlinson
Bishop	Gutknecht	McDonald	Rice	Tunheim
Blatz	Halberg	McEachern	Riveness	Uphus
Brandl	Haukoos	McKasy	Rodosovich	Valan
Brinkman	Heap	Metzen	Rodriguez, C.	Valento
Burger	Heinitz	Minne	Rodriguez, F.	Vanasek
Carlson, D.	Himle	Munger	Rose	Vellenga
Carlson, L.	Hoberg	Murphy	St. Onge	Voss
Clark, J.	Hoffman	Nelson, D.	Sarna	Waltman
Clark, K.	Hokr	Nelson, K.	Schafer	Welch
Clawson	Jacobs	Neuenschwander	Scheid	Welker
Cohen	Jennings	Norton	Schoenfeld	Welle
Coleman	Jensen	O'Connor	Schreiber	Wenzel
DenOuden	Johnson	Ogren	Seaberg	Wigley
Dimler	Kahn	Olsen	Segal	Wynia
Eken	Kalis	Omann	Shaver	Zaffke
Elioff	Kelly	Onnen	Shea	Speaker Sieben
Ellingson	Knickerbocker	Osthoff	Sherman	
Erickson	Knuth	Otis	Simoneau	

A quorum was present.

Dempsey was excused until 1:20 p.m.

The Chief Clerk proceeded to read the Journal of the preceding day. Metzen 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. 257, 481, 600, 751 and 921 and S. F. Nos. 482, 532, 1233, 1011, 72, 984 and 1234 have been placed in the members' files.

S. F. No. 1011 and H. F. No. 1190, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Riveness moved that the rules be so far suspended that S. F. No. 1011 be substituted for H. F. No. 1190 and that the House File be indefinitely postponed. The motion prevailed.

REPORTS OF STANDING COMMITTEES

Tomlinson from the Committee on Taxes to which was referred:

H. F. No. 404, A bill for an act relating to taxation; increasing the deduction from gross income for amounts paid for dependent tuition, textbooks, and transportation expenses; amending Minnesota Statutes 1982, section 290.09, subdivision 22.

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

The report was adopted.

Tomlinson from the Committee on Taxes to which was referred:

H. F. No. 1031, A bill for an act relating to the lower Red River watershed management board; removing ten year limitation for tax levy by watershed districts which are members of board; amending Laws 1976, chapter 162, sections 1, as amended, and 2.

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

The report was adopted.

Tomlinson from the Committee on Taxes to which was referred:

S. F. No. 366, A bill for an act relating to appropriations; authorizing the Arrowhead regional development commission to repay an appropriation with funds raised by a levy; amending Laws 1981, chapter 356, section 30.

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

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. Nos. 404 and 1031 were read for the second time.

SECOND READING OF SENATE BILLS

S. F. Nos. 1011 and 366 were read for the second time.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House Files were introduced:

Clawson; Anderson, G.; McEachern; Knickerbocker and Johnson introduced:

H. F. No. 1302, A bill for an act relating to local government; providing procedures for the publication of legal notices; removing various requirements for publication of notices; amending Minnesota Statutes 1982, sections 3.21; 48.48, subdivision 1; 88.48, subdivision 2; 94.10, subdivision 1; 94.344, subdivision 7; 123.33, subdivision 11; 123.71, subdivision 1; 160.17, subdivision 2; 205.20, subdivision 5; 206.17, subdivision 2; 279.07; 279.08; 279.09; 300.13, subdivision 4; 302A.727, subdivision 1; 306.023, subdivision 2; 306.111, subdivision 2; 306.16, subdivision 2; 306.21, subdivision 1; 307.06; 315.25; 326.18; 346.02; 365.37; 368.01, subdivision 21; 370.04; 370.07; 371.04; 372.02; 372.08; 374.13; 374.34; 375.025, subdivision 4; 375.12; 375.17; 375.21, subdivision 1; 375.51, subdivision 3; 375.52; 383A.27, subdivision 2; 412.191, subdivisions 3 and 4; 412.311; 414.09, subdivision 3; 415.021; 429.061, subdivision 2; 430.02, subdivisions 3, 7, 11, and 12; 430.04; 430.07, subdivision 5; 430.102, subdivision 3; 435.202, subdivision 2; 441.04; 462.427, subdivision 3; 465.32; 465.38; 471.697, subdivision 1; 471.698, subdivision 1; 471.6985; 472.04, subdivision 2; 484.30; and 492.02, subdivision 3; proposing new law coded in Minnesota Statutes, chapters 375 and 471; proposing new law coded as Minnesota Statutes, chapter 331A; repealing Minnesota Statutes 1982, sections 55.09; 306.16, subdivision 1; 331.01; 331.02; 331.03; 331.04; 331.05; 331.06; 331.07; 331.08; 331.10; 331.11; and 441.51.

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

Greenfield, Brandl and Coleman introduced :

H. F. No. 1303, A resolution memorializing the President and Congress to establish a National Academy of Peace and Conflict Resolution.

The bill was read for the first time and referred to the Committee on Rules and Legislative Administration.

Clark, J., introduced :

H. F. No. 1304, A bill for an act relating to crimes ; providing a penalty for theft of a firearm ; providing a penalty for possession of a stolen firearm ; amending Minnesota Statutes 1982, sections 609.52, subdivision 3 ; and 609.53, subdivision 1.

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

Berkelman, Kalis and DenOuden introduced :

H. F. No. 1305, 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 and referred to the Committee on Appropriations.

Berkelman, Gustafson and Munger introduced :

H. F. No. 1306, A bill for an act relating to labor ; providing for an exemption from wage requirements for certain domestic service employees ; amending Minnesota Statutes 1982, section 177.23, subdivision 7.

The bill was read for the first time and referred to the Committee on Labor-Management Relations.

Begich, Battaglia and Elioff introduced :

H. F. No. 1307, A bill for an act relating to game and fish ; authorizing free fishing licenses for totally and permanently disabled public employees ; amending Minnesota Statutes 1982, section 98.47, by adding a subdivision.

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

HOUSE ADVISORIES

The following House Advisory was introduced :

Ogren, Sarna, St. Onge, Gustafson and Jacobs introduced:

H. A. No. 19, A proposal to include the sport of wrestling under the jurisdiction of the Minnesota Board of Boxing.

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

H. F. No. 330, A bill for an act relating to courts; providing for the appeal of various matters to the court of appeals; providing for the manner of election of court of appeals judges; amending Minnesota Statutes 1982, sections 2.724, subdivision 2; 3.737, subdivision 4; 3.751, subdivision 4; 5.08, subdivision 2; 10A.01, subdivisions 5 and 19; 14.45; 14.62, subdivision 2; 14.63; 14.64; 14.65; 14.66; 14.68; 15A.18; 16.863; 25.43, subdivision 5; 32A.09, subdivision 5; 43A.02, subdivision 25; 43A.24, subdivision 2; 43A.27, subdivision 4; 44.09, subdivision 3; 45.07; 45.17, subdivision 5; 47.54, subdivision 5; 49.18; 52.063; 56.23; 60A.05; 60A.15, subdivisions 11 and 12; 72A.27; 84.59; 88.78; 97.481, subdivision 2; 97.50, subdivision 6; 105.462; 106.631, subdivisions 5 and 6; 110A.36; 111.42; 112.82, subdivisions 1 and 2; 114.13, subdivision 4; 115.49, subdivision 5; 116.07, subdivision 7; 116.11; 116A.19, subdivision 4; 116C.65; 120.17, subdivision 3b; 122.23, subdivision 16c; 123.32, subdivision 25; 127.25, subdivision 3; 127.33; 141.29, subdivision 2; 145.698, subdivision 2; 155A.11, subdivision 2; 156A.071, subdivision 9; 161.34, subdivision 4; 168.68; 169.123, subdivision 7; 177.29, subdivision 2; 178.09, subdivision 2; 179.64, subdivision 5; 179.741, subdivision 3; 181A.10, subdivision 2; 185.15; 192A.255, subdivision 1; 197.481, subdivision 6; 204B.06, subdivisions 4 and 6; 204B.11, subdivision 1; 204B.34, subdivision 3; 204B.36, subdivision 4; 204D.02, subdivision 1; 204D.08, subdivision 6; 204D.11, subdivision 1; 209.09; 210A.01, subdivision 3; 216.25; 216B.52, subdivision 5; 231.33; 237.20; 237.25; 237.27; 237.39; 244.11; 246.55; 252A.21, subdivision 1; 253B.19, subdivision 5; 253B.23, subdivision 7; 256.045, subdivisions 9 and 10; 259.32; 260.291, subdivision 2; 268.06, subdivision 20; 268.10, subdivision 8; 268.12, subdivision 13; 270.22; 270.23; 270.26; 270.68, subdivision 2; 273.16; 279.21; 282.01, subdivision 3; 290.48, subdivision 6; 290.92, subdivision 6; 294.09, subdivision 3; 297.08, subdivisions 3 and 4; 297A.15, subdivision 4; 298.09, subdivision 3;

299F.25; 299F.26, subdivision 3; 327B.05, subdivision 2; 340.404, subdivision 7; 340.54, subdivision 2; 351.03; 352.01, subdivision 2B; 352D.02, subdivision 1; 357.07; 357.08; 363.072, subdivisions 1 and 2; 373.11; 375.67, subdivision 3; 387.41; 412.092, subdivision 1; 414.07, subdivision 2; 414.08; 419.12; 420.13; 430.03; 430.031, subdivision 4; 462.14, subdivision 12; 462.715; 465.43; 473.675, subdivision 4; 480.054; 480.055, subdivision 1; 480.061, subdivision 8; 480.062; 480.07; 480.19; 480A.02 by adding a subdivision; 480A.06, subdivision 1; 481.02, subdivisions 3 and 6; 482.07, subdivision 8; 485.16; 487.39; 488A.01, subdivision 14; 488A.17, subdivision 12; 488A.18, subdivision 14; 488A.34, subdivision 11; 501.35; 508.29; 508A.29; 525.71; 525.714; 525.73; 548.29, subdivision 2; 558.215; 562.04; 571.64; 574.18; 582.11; 586.09; 586.11; 586.12; 589.02; 589.29; 589.30; 590.01, subdivision 1; 590.04, subdivision 3; 590.06; 595.024, subdivision 3; 595.025, subdivision 3; 609.39; 611.07, subdivisions 2 and 3; 611.071, subdivisions 1 and 2; 611.14; 611.18; 611.25; and 648.39, subdivision 1; and Laws 1982, chapter 501, section 27; repealing Minnesota Statutes 1982, sections 14.70; 80A.24, subdivision 3; 363.10; 484.63; 525.711; 525.74; and Laws 1982, chapter 501, sections 17, 18, 19, and 25.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Clawson moved that the House concur in the Senate amendments to H. F. No. 330 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 330, A bill for an act relating to courts; providing for the appeal of various matters to the court of appeals; providing for the manner of election of court of appeals judges; amending Minnesota Statutes 1982, sections 2.724, subdivision 2; 3.737, subdivision 4; 3.751, subdivision 4; 5.08, subdivision 2; 10A.01, subdivisions 5 and 19; 14.45; 14.62, subdivision 2; 14.63; 14.64; 14.65; 14.66; 14.67; 14.68; 15A.18; 16.863; 25.43, subdivision 5; 32A.09, subdivision 5; 43A.02, subdivision 25; 43A.24, subdivision 2; 43A.27, subdivision 4; 44.09, subdivision 3; 45.07; 45.17, subdivision 5; 47.54, subdivision 5; 49.18; 56.23; 60A.05; 60A.15, subdivisions 11 and 12; 62A.02, subdivision 6; 62C.14, subdivision 12; 62G.16, subdivision 11; 65B.04, subdivision 1; 70A.22, subdivision 3; 72A.24, subdivision 1; 72A.27; 79.073; 84.59; 88.78; 97.481, subdivision 2; 97.50, subdivision 6; 105.462; 106.631, subdivisions 5 and 6; 110A.36; 111.42; 112.82; 114.13, subdivision 4; 115.49, subdivision 5; 116.07, subdivision 7; 116.11; 116A.19, subdivision 4; 116C.65; 120.17, subdivision 3b; 122.23, subdivision 16c; 123.32, subdivision 25; 124.15, subdivision 7; 127.25, subdivision 3; 127.33; 141.29, subdivision 2; 145.698, subdivision 2; 149.05, subdivision 3; 155A.11, subdivision 2; 156A.071, subdivision 9; 161.34, subdivision 4; 168.65, subdivision 2; 168.68; 169.073; 169.123, subdivision 7; 174A.05; 176.471, subdivisions 6, 8, and 9; 177.29, subdivision 1; 178.09, subdivision 2; 179.64, subdivision 5; 179.741, subdivision 3; 181A.10, subdivision 2; 185.15; 192A.255, subdivision 1; 197.481,

subdivision 6; 204B.06, subdivisions 4 and 6; 204B.11, subdivision 1; 204B.34, subdivision 3; 204B.36, subdivision 4; 204D.02, subdivision 1; 204D.08, subdivision 6; 204D.11, subdivision 1; 209.09; 210A.01, subdivision 3; 216.25; 216.27; 216B.16, subdivision 3; 216B.52, subdivision 1; 231.33; 237.075, subdivision 3; 237.20; 237.25; 237.27; 237.39; 244.11; 246.55; 252A.21, subdivision 1; 253B.19, subdivision 5; 253B.23, subdivision 7; 256.045, subdivisions 9 and 10; 259.32; 260.291, subdivision 2; 268.06, subdivision 20; 268.10, subdivision 8; 268.12, subdivision 13; 270.22; 270.23; 270.26; 270.68, subdivision 2; 273.16; 279.21; 282.01, subdivision 3; 290.48, subdivision 6; 290.92, subdivision 6; 294.09, subdivision 3; 297.08, subdivisions 3 and 4; 297.37, subdivision 5; 297A.15, subdivision 4; 298.09, subdivision 3; 299D.03, subdivision 11; 299F.25; 299F.26, subdivision 3; 327B.05, subdivision 2; 340.404, subdivision 7; 340.54, subdivision 2; 351.03; 352.01, subdivision 2B; 352D.02, subdivision 1; 357.07; 357.08; 360.019, subdivision 2; 360.072, subdivision 1; 363.06, subdivision 4; 363.072, subdivisions 1 and 2; 373.11; 375.67, subdivision 1; 387.41; 412.092, subdivision 1; 414.07, subdivision 2; 414.08; 419.12; 420.13; 430.03; 430.031, subdivision 4; 458A.06, subdivision 4; 462.14, subdivision 12; 462.715; 465.43; 473.413, subdivision 4; 473.675, subdivision 4; 480.054; 480.055, subdivision 1; 480.061, subdivision 8; 480.062; 480.07; 480.19; 480A.01, subdivision 2; 480A.02, by adding a subdivision; 480A.04; 480A.06, subdivision 1; 480A.08, subdivision 3; 481.02, subdivisions 3 and 6; 481.15, subdivision 2; 482.07, subdivision 8; 485.16; 487.39; 488A.01, subdivision 14; 488A.17, subdivision 12; 488A.18, subdivision 14; 488A.34, subdivision 11; 501.35; 508.29; 508A.29; 525.71; 525.714; 525.73; 548.29, subdivision 2; 558.215; 562.04; 571.64; 574.18; 582.11; 586.09; 586.11; 586.12; 589.02; 589.29; 589.30; 590.01, subdivision 1; 590.04, subdivision 3; 590.06; 595.024, subdivision 3; 595.025, subdivision 3; 606.04; 609.39; 611.07, subdivisions 2 and 3; 611.071, subdivisions 1 and 2; 611.14; 611.18; 611.25; 645.44, by adding a subdivision; and 648.39, subdivision 1; amending Laws 1982, chapter 501, section 27; proposing new law coded in Minnesota Statutes, chapter 606; repealing Minnesota Statutes 1982, sections 14.70; 72A.24, subdivision 2; 80A.24, subdivision 3; 177.29, subdivisions 2 and 3; 216.24; 216.271; 216B.52, subdivisions 2, 3, 4, and 5; 216B.55; 360.072, subdivisions 2, 3, 4, and 5; 363.10; 375.67, subdivisions 2 and 3; 484.63; 525.711; and 525.74; and Laws 1982, chapter 501, sections 17, 18, 19, and 25.

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 117 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Bergstrom	Carlson, L.	DenOuden	Evans
Anderson, G.	Berkelman	Clark, J.	Dimler	Findlay
Battaglia	Bishop	Clark, K.	Eken	Fjoslien
Beard	Blatz	Clawson	Elioff	Forsythe
Begich	Brinkman	Cohen	Ellingson	Graha
Bennett	Burger	Coleman	Erickson	Gruenes

Gustafson	Levi	Olsen	Rose	Tomlinson
Gutknecht	Long	Omann	St. Onge	Tunheim
Haukoos	Ludeman	Onnen	Sarna	Uphus
Heap	Mann	Osthoff	Schafer	Valan
Heinitz	Marsh	Otis	Scheid	Valento
Himle	McDonald	Pauly	Schoenfeld	Vanasek
Hoberg	McEachern	Peterson	Schreiber	Vellenga
Hoffman	McKasy	Piepho	Scaberg	Voss
Jacobs	Metzen	Piper	Segal	Waltman
Jensen	Minne	Price	Shaver	Welch
Johnson	Munger	Quist	Shea	Welker
Kahn	Murphy	Redalen	Simoneau	Welle
Kalis	Nelson, D.	Reif	Skoglund	Wenzel
Knickerbocker	Nelson, K.	Rice	Solberg	Wynia
Knuth	Neuenschwander	Riveness	Sparby	Speaker Sieben
Kostohryz	Norton	Rodosovich	Stadum	
Krueger	O'Connor	Rodriguez, C.	Staten	
Larsen	Ogren	Rodriguez, F.	Swanson	

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 File, herewith transmitted:

S. F. No. 652.

PATRICK E. FLAHAVERN, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 652, A bill for an act relating to agriculture; adopting recommended federal rules relating to milk quality for manufacturing purposes; providing for phase in of inspections and compliance; proposing new law coded in Minnesota Statutes, chapter 32.

The bill was read for the first time.

Ogren moved that S. F. No. 652 and H. F. No. 481, now on Technical General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

CONSIDERATION UNDER RULE 1.10

Pursuant to rule 1.10, Rice requested immediate consideration of H. F. No. 1290.

H. F. No. 1290 was reported to the House.

Kahn moved to amend H. F. No. 1290, as follows:

Page 8, line 8, delete "an office of" and insert "a"

Page 8, line 9, after "technology" insert "function within the governor's office. The governor may hire a director and additional staff as he deems necessary to carry out this function within this appropriation"

Page 8, line 10, delete "office" and insert "director"

Page 8, line 25, delete "its"

Page 8, line 26, delete "office" and insert "director"

Page 8, line 35, delete "office" and insert "director"

Page 8, line 36, delete "utilize" and insert "consider"

Page 8, line 42, delete "office" and insert "director"

Page 8, line 56, after the first "the" insert "science and technology"

Page 8, line 56, after "and" insert "supportive"; after "staff" delete "of the office of"

Page 8, line 57, delete "science and technology"

Page 8, line 58, delete "and" and insert "or"

Page 43, line 13, delete "shall" and insert "may"

Page 51, line 28, to page 53, line 21, delete section 57

Page 56, line 26, to page 59, line 20, delete section 65

Renumber remaining sections

Amend the title as follows:

Page 1, line 12, delete "3.9222;"

Page 1, line 15, delete "16.911;"

Norton moved that H. F. No. 1290 be re-referred to the Committee on Governmental Operations.

A roll call was requested and properly seconded.

CALL OF THE HOUSE

On the motion of Norton and on the demand of 10 members, a call of the House was ordered. The following members answered to their names:

Anderson, B.	Beard	Bergstrom	Brandl	Carlson, D.
Anderson, R.	Begich	Bishop	Brinkman	Carlson, L.
Battaglia	Bennett	Blatz	Burger	Clark, J.

Clark, K.	Himle	McKasy	Riveness	Swanson
Cohen	Hoberg	Minne	Rodosovich	Thiede
Coleman	Hoffman	Munger	Rodriguez, C.	Tomlinson
DenOuden	Hokr	Murphy	Rodriguez, F.	Tunheim
Dimler	Jacobs	Norton	Rose	Uphus
Eken	Jennings	O'Connor	St. Onge	Valan
Ellingson	Jense	Ogren	Sarna	Valento
Erickson	Johnson	Olsen	Schafer	Vanasek
Evans	Kahn	Omann	Scheid	Vellenga
Findlay	Kalis	Onnen	Schoenfeld	Voss
Fjoslien	Knickerbocker	Osthoff	Seaberg	Waltman
Forsythe	Knuth	Otis	Segal	Welch
Frerichs	Kostohryz	Pauly	Shaver	Welker
Graba	Krueger	Peterson	Shea	Welle
Greenfield	Kvam	Piepho	Sherman	Wenzel
Gruenes	Larsen	Piper	Simoneau	Wigley
Gustafson	Levi	Price	Skoglund	Wynia
Gutknecht	Long	Quinn	Solberg	Zaffke
Halberg	Ludeman	Quist	Sparby	Speaker Sieben
Haukoos	Mann	Redalen	Stadum	
Heap	Marsh	Reif	Staten	
Heinitz	McDonald	Rice	Sviggum	

Norton 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.

The question recurred on the Norton motion to re-refer H. F. No. 1290 to the Committee on Governmental Operations and the roll was called. There were 51 yeas and 83 nays as follows:

Those who voted in the affirmative were:

Bennett	Heinitz	McDonald	Riveness	Tunheim
Blatz	Hoberg	McKasy	Rodosovich	Uphus
Brinkman	Hokr	Neuenschwander	Rodriguez, F.	Valento
Burger	Knickerbocker	Norton	Schafer	Welker
Clawson	Knuth	O'Connor	Seaberg	Weile
DenOuden	Kostohryz	Olsen	Shaver	Wigley
Dimler	Krueger	Omann	Sherman	Zaffke
Findlay	Larsen	Pauly	Simoneau	
Fjoslien	Levi	Piper	Sparby	
Haukoos	Ludeman	Quinn	Sviggum	
Heap	Marsh	Quist	Thiede	

Those who voted in the negative were:

Anderson, B.	Cohen	Gutknecht	McEachern	Redalen
Anderson, G.	Coleman	Halberg	Metzen	Reif
Anderson, R.	Dempsey	Himle	Minne	Rice
Battaglia	Eken	Hoffman	Munger	Rodriguez, C.
Beard	Elioff	Jacobs	Murphy	Rose
Begich	Ellingson	Jennings	Nelson, D.	St. Onge
Bergstrom	Erickson	Jensen	Nelson, K.	Sarna
Berkelman	Evans	Johnson	Ogren	Scheid
Bishop	Forsythe	Kahn	Onnen	Schoenfeld
Brandl	Frerichs	Kalis	Osthoff	Schreiber
Carlson, D.	Graba	Kelly	Otis	Segal
Carlson, L.	Greenfield	Kvam	Peterson	Shea
Clark, J.	Gruenes	Long	Piepho	Skoglund
Clark, K.	Gustafson	Mann	Price	Solberg

Stadum
Staten
Swanson

Tomlinson
Valan
Vanasek

Vellenga
Vöss
Waltman

Welch
Wenzel
Wynia

Speaker Sieben

The motion did not prevail.

The question recurred on the Kahn amendment to H. F. No. 1290. The motion prevailed and the amendment was adopted.

Staten moved to amend H. F. No. 1290, as amended, as follows:

Page 102, delete lines 11 to 16

The motion prevailed and the amendment was adopted.

Staten moved to amend H. F. No. 1290, as amended, as follows:

Page 102, after line 16, insert:

"Sec. 115. Minnesota Statutes 1982, section 363.06, is amended by adding a subdivision to read:

Subd. 4a. [TEMPORARY RULES.] The commissioner shall have the authority to promulgate temporary rules pursuant to chapter 14 to carry out the purposes of section 363.06.

Sec. 116. Minnesota Statutes 1982, section 363.071, subdivision 2, is amended to read:

Subd. 2. [DETERMINATION OF DISCRIMINATORY PRACTICE.] The hearing examiner shall make findings of fact and conclusions of law, and if the hearing examiner finds that the respondent has engaged in an unfair discriminatory practice, the hearing examiner shall issue an order directing the respondent to cease and desist from the unfair discriminatory practice found to exist and to take such affirmative action as in the judgment of the examiner will effectuate the purposes of this chapter. Such order shall be a final decision of the department. The examiner shall order any respondent found to be in violation of any provision of section 363.03 to pay a civil penalty to the state. The hearing examiner shall determine the amount of the civil penalty to be paid, taking into account the financial resources of the respondent. Any penalties imposed under this provision shall be paid into the general fund of the state. In all cases the examiner may order the respondent to pay an aggrieved party, who has suffered discrimination, compensatory damages, including damages for mental anguish or suffering, and, in all cases, may also order the respondent to pay an aggrieved party, who has suffered discrimination, punitive damages in an amount not more than \$6,000. Punitive damages shall be awarded pursuant to section 549.20. In any case where a political subdivision

is a respondent the total of punitive damages awarded an aggrieved party may not exceed \$6,000 and in that case if there are two or more respondents the punitive damages may be apportioned among them. Punitive damages may only be assessed against a political subdivision in its capacity as a corporate entity and no regular or ex-officio member of a governing body of a political subdivision shall be personally liable for payment of punitive damages pursuant to this subdivision. In addition to the aforesaid remedies, in a case involving discrimination in

(a) employment, the examiner may order the hiring, reinstatement or upgrading of an aggrieved party, who has suffered discrimination, with or without back pay, admission or restoration to membership in a labor organization, or his admission to or participation in an apprenticeship training program, on-the-job training program, or other retraining program, or any other relief the examiner deems just and equitable.

(b) housing, the examiner may order the sale, lease, or rental of the housing accommodation or other real property to an aggrieved party, who has suffered discrimination, or the sale, lease or rental of a like accommodation or other real property owned by or under the control of the person against whom the complaint was filed, according to terms as listed with a real estate broker, or if no such listing has been made, as otherwise advertised or offered by the vendor or lessor, or any other relief the examiner deems just and equitable.

The examiner shall cause the findings of fact, conclusions of law, and order to be served on the respondent personally, the charging party by registered or certified mail, and shall furnish copies to the attorney general and the commissioner."

Page 107, line 4, delete "107, 108, and 109" and insert "104, 105, and 106"

Page 107, line 5, delete "84" and insert "81"

Page 107, line 6, delete "77, 83, 86," and insert "74, 80, 83,"

Page 107, line 7, delete "87, 88, 89" and insert "84, 85, 86"

Page 107, line 7, delete "124" and insert "123"

Renumber subsequent sections

Amend the title as follows:

Page 1, line 22, after "5;" insert "116C.07, subdivision 2a;"

Page 1, line 30, after "4" insert ", and by adding a subdivision; 363.071, subdivision 2"

Page 1, line 36, delete "16;"

The motion prevailed and the amendment was adopted.

The Speaker called Wynia to the Chair.

Welker moved to amend H. F. No. 1290, as amended, as follows:

Pages 82 to 83, delete section 96

A roll call was requested and properly seconded.

The question was taken on the amendment and the roll was called.

Minne moved that those not voting be excused from voting. The motion prevailed.

There were 59 yeas and 68 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Evans	Hoberg	Onnen	Shea
Anderson, R.	Findlay	Hokr	Pauly	Sherman
Bennett	Fjoslien	Jennings	Piepho	Stadum
Bergstrom	Forsythe	Johnson	Quist	Sviggum
Bishop	Frerichs	Knickerbocker	Redalen	Thiede
Blatz	Gruenes	Kvam	Reif	Uphus
Burger	Gutknecht	Ludeman	Rose	Valan
Carlson, D.	Halberg	Marsh	Schafer	Valento
Dempsey	Haukoos	McDonald	Schoenfeld	Waltman
DenOuden	Heap	McKasy	Schreiber	Welker
Dimler	Heinitz	Olsen	Seaberg	Wigley
Erickson	Himle	Omann	Shaver	

Those who voted in the negative were:

Battaglia	Ellington	McEachern	Price	Staten
Beard	Graba	Metzen	Quinn	Swanson
Begich	Greenfield	Minne	Rice	Tomlinson
Berkelman	Gustafson	Munger	Rivencss	Tunheim
Brandl	Hoffman	Murphy	Rodosovich	Vanasek
Brinkman	Jacobs	Nelson, D.	Rodriguez, C.	Vellenga
Carlson, L.	Jensen	Nelson, K.	Rodriguez, F.	Voss
Clark, J.	Kahn	Neuenschwander	St. Onge	Welch
Clark, K.	Kelly	O'Connor	Sarna	Welle
Clawson	Knuth	Ogren	Scheid	Wenzel
Cohen	Krueger	Osthoff	Simoneau	Wynia
Coleman	Larsen	Otis	Skoglund	Speaker Sieben
Eken	Long	Peterson	Solberg	
Elioff	Mann	Piper	Sparby	

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

Welker moved to amend H. F. No. 1290, as amended, as follows:

Pages 102 and 103, delete sections 115 and 116

Renumber the sections

Amend the title as follows:

Page 1, line 30, delete "462A.05,"

Page 1, delete line 31

Page 1, line 32, delete "subdivision;"

A roll call was requested and properly seconded.

The question was taken on the amendment and the roll was called.

Minne moved that those not voting be excused from voting. The motion prevailed.

There were 46 yeas and 76 nays as follows:

Those who voted in the affirmative were:

Bennett	Forsythe	Ludeman	Redalen	Uphus
Bishop	Gruenes	Marsh	Reif	Valan
Blatz	Gutknecht	McDonald	Schafer	Valento
Burger	Haukoos	McKasy	Schreiber	Waltman
Dempsey	Heinitz	Olsen	Seaberg	Welker
DenOuden	Hoberg	Omann	Shaver	Wigley
Dimler	Jennings	Onnen	Sherman	
Evans	Johnson	Pauly	Stadium	
Findlay	Knickerbocker	Piepho	Sviggum	
Fjoslien	Kvam	Quist	Thiede	

Those who voted in the negative were:

Anderson, B.	Eken	Long	Piper	Sparby
Anderson, C.	Eloff	Mann	Price	Staten
Battaglia	Ellingson	McEachern	Quinn	Swanson
Beard	Craba	Metzen	Rice	Tomlinson
Begich	Greenfield	Minne	Riveness	Tunheim
Bergstrom	Gustafson	Munger	Rodosovich	Vanasek
Berkelman	Hoffman	Murphy	Rodriguez, F.	Vellenga
Brandl	Jacobs	Nelson, D.	St. Onge	Welch
Brinkman	Jensen	Nelson, K.	Sarna	Welle
Carlson, D.	Kahn	Neuenschwander	Scheid	Wenzel
Carlson, L.	Kalis	Norton	Schoenfeld	Wynia
Clark, J.	Kally	O'Connor	Segal	Speaker Sieben
Clark, K.	Knuth	Ogren	Shea	
Clawson	Kostohryz	Osthoff	Simoneau	
Cohen	Krueger	Otis	Skoglund	
Coleman	Larsen	Peterson	Solberg	

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

Welker moved to amend H. F. No. 1290, as amended, as follows:

Page 94, delete section 106

Renumber the sections

Amend the title as follows:

Page 1, line 27, delete "271.01, subdivision 1;"

The motion prevailed and the amendment was adopted.

Welker moved to amend H. F. No. 1290, as amended, as follows:

Page 7, line 47, delete "1,991,400" and "2,009,300" and insert "1,748,800" and "1,754,500"

Page 8, delete lines 7 to 64

A roll call was requested and properly seconded.

The question was taken on the amendment and the roll was called.

Minne moved that those not voting be excused from voting. The motion prevailed.

There were 39 yeas and 84 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Heap	Ludeman	Schafer	Valan
DenOuden	Heinitz	McDonald	Schreiber	Valento
Dimler	Hoberg	Olsen	Seaberg	Waltman
Erickson	Jennings	Omann	Shaver	Welker
Findlay	Johnson	Onnen	Stadum	Welle
Frerichs	Knickerbocker	Piepho	Sviggum	Wigley
Gruenes	Kvam	Quist	Thiede	Zaffke
Haukoos	Levi	Redalen	Uphus	

Those who voted in the negative were:

Anderson, B.	Coleman	Knuth	Osthoff	Sherman
Anderson, G.	Dempsey	Kostohryz	Otis	Simoneau
Battaglia	Eken	Krueger	Peterson	Skoglund
Beard	Elioff	Long	Piper	Soiberg
Begich	Ellingson	Mann	Quinn	Sparby
Bennett	Evans	Marsh	Rice	Staten
Berkelman	Fjoslien	McEachern	Riveness	Swanson
Bishop	Forsythe	McKasy	Rodosovich	Tomlinson
Brandl	Graba	Metzen	Rodriguez, C.	Tunheim
Brinkman	Greenfield	Minne	Rodriguez, F.	Vanasek
Burger	Gustafson	Munger	Rose	Vellenga
Carlson, D.	Himle	Murphy	St. Onge	Voss
Carlson, L.	Jacobs	Nelson, D.	Sarna	Welch
Clark, J.	Jensen	Nelson, K.	Scheid	Wenzel
Clark, K.	Kahn	Norton	Schoenfeld	Wynia
Clawson	Kalis	O'Connor	Segal	Speaker Sieben
Cohen	Kelly	Ogren	Shea	

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

DenOuden moved to amend H. F. No. 1290, as amended, as follows:

Page 27, line 14, delete "9,457,500 9,217,700" and insert "9,419,500 9,181,700"

Page 28, line 9, delete "\$2,411,300 \$2,454,700" and insert "\$2,373,300 \$2,416,700"

Page 28, line 10, delete "\$125,000" and insert "\$87,000" in each case

A roll call was requested and properly seconded.

The question was taken on the amendment and the roll was called.

Minne moved that those not voting be excused from voting. The motion prevailed.

There were 20 yeas and 95 nays as follows :

Those who voted in the affirmative were:

DenOuden	Gutknecht	Hoberg	Omann	Uphus
Dimler	Haukoos	Jennings	Quist	Valento
Findlay	Heap	Ludeman	Sviggum	Welker
Fjoslien	Heinitz	McDonald	Thiede	Wigley

Those who voted in the negative were:

Anderson, G.	Ellingson	Larsen	Pauly	Shaver
Anderson, R.	Evans	Long	Peterson	Shea
Battaglia	Forsythe	Mann	Piepho	Sherman
Beard	Frerichs	Marsh	Piper	Skoglund
Begich	Greenfield	McEachern	Price	Solberg
Bennett	Gruenes	McKasy	Quinn	Sparby
Berkelman	Gustafson	Metzen	Redalen	Stadum
Bishop	Himle	Minne	Riveness	Staten
Brandl	Hoffman	Munger	Rodosovich	Swanson
Brinkman	Jacobs	Murphy	Rodriguez, C.	Tomlinson
Burger	Jensen	Nelson, D.	Rodriguez, F.	Tunheim
Carlson, D.	Johnson	Nelson, K.	Rose	Valan
Carlson, L.	Kahn	Neuenschwander	St. Onge	Vanasek
Clark, J.	Kalis	Norton	Sarna	Vellenga
Clark, K.	Kelly	O'Connor	Scheid	Voss
Clawson	Knickerbocker	Ogren	Schoenfeld	Waltman
Cohen	Knuth	Olsen	Schreiber	Welle
Dempsey	Kostohryz	Osthoff	Seaberg	Wenzel
Eken	Krueger	Otis	Segal	Speaker Sieben

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

Burger moved to amend H. F. No. 1290, as amended, as follows:

Page 48, after line 25, insert:

"Sec. 51. [APPROPRIATION REDUCTION.]

Notwithstanding any modification of the provisions of the other sections of this bill, every appropriation specified in sections 1 to 51 shall be reduced by 5 percent of the amount stated. All expenditures to be made in whole or in part from the appropriations in this bill shall be reduced pro rata to allow implementation of all programs at a level of 95 percent."

Renumber sections as necessary

A roll call was requested and properly seconded.

The question was taken on the amendment and the roll was called.

Kahn moved that those not voting be excused from voting. The motion prevailed.

There were 56 yeas and 75 nays as follows:

Those who voted in the affirmative were:

Bennett	Gruenes	Kvam	Redalen	Uphus
Blatz	Gutknecht	Levi	Reif	Valan
Burger	Halberg	Ludemann	Rose	Valento
Dempsey	Haukoos	Marsh	Schafer	Waltman
DenOuden	Heap	McDonald	Schreiber	Welker
Dimler	Heinitz	McKasy	Seaberg	Wenzel
Erickson	Himle	Olsen	Shaver	Wigley
Evans	Hoberg	Omamm	Shea	Zaffke
Findlay	Hokr	Onnen	Sherman	
Fjoslien	Jennings	Pauly	Stadum	
Forsythe	Johnson	Piepho	Sviggum	
Frerichs	Knickerbocker	Quist	Thiede	

Those who voted in the negative were:

Anderson, B.	Coleman	Krueger	Osthoff	Simoneau
Anderson, R.	Eken	Larsen	Otis	Skoglund
Battaglia	Elioff	Long	Peterson	Solberg
Beard	Ellingson	Mann	Piper	Sparby
Begich	Graba	McEachern	Price	Staten
Bergstrom	Greenfield	Metzen	Quinn	Swanson
Berkelman	Gustafson	Minne	Riveness	Tomlinson
Bishop	Hoffman	Munger	Rodosovich	Tunheim
Brandl	Jacobs	Murphy	Rodriguez, C.	Vanasek
Brinkman	Jensen	Nelson, D.	Rodriguez, F.	Vellenga
Carlson, D.	Kahn	Nelson, K.	St. Onge	Voss
Carlson, L.	Kalis	Neuenschwander	Sarna	Welch
Clark, J.	Kelly	Norton	Scheid	Welle
Clark, K.	Knuth	O'Connor	Schoenfeld	Wynia
Clawson	Kostohryz	Ogren	Segal	Speaker Sieben

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

Stadum offered an amendment to H. F. No. 1290.

POINT OF ORDER

Gustafson raised a point of order pursuant to rule 3.9 that the amendment was not in order. The Speaker ruled the point of order well taken and the amendment out of order.

Sviggum moved to amend H. F. No. 1290, as amended, as follows:

Page 4, after line 6, insert:

"The chief clerk of the House, the secretary of the Senate, the Legislative Coordinating Commission, and the Legislative Audit Commission shall prepare an estimate of the savings during fiscal years 1984 and 1985 resulting from reduced claims for per diem expenses made by legislators who fail to claim or who claim reduced daily amounts of otherwise allowable per diem expenses. Notwithstanding the provisions of Minnesota Statutes, section 16A.281, an amount of the above appropriations equal to the estimated savings shall lapse and revert to the general fund at the end of fiscal years 1984 and 1985 pursuant to Minnesota Statutes, section 16A.28."

A roll call was requested and properly seconded.

The question was taken on the amendment and the roll was called.

Minne moved that those not voting be excused from voting. The motion did not prevail.

Kahn moved that those not voting be excused from voting. The motion did not prevail.

Vanasek moved that those not voting be excused from voting. The motion did not prevail.

Anderson, G., moved that those not voting be excused from voting. The motion prevailed.

There were 60 yeas and 71 nays as follows:

Those who voted in the affirmative were:

Bennett	Fjoslien	Jennings	Onnen	Shea
Berkelman	Forsythe	Johnson	Pauly	Sherman
Bishop	Frerichs	Knickerbocker	Piepho	Stadum
Blatz	Gruenes	Knuth	Quist	Sviggum
Burger	Gutknecht	Kvam	Redalen	Thiede
Cohen	Halberg	Levi	Reif	Uphus
Dempsey	Haukoos	Ludeman	Rose	Valan
DenOuden	Heap	Marsh	Schafer	Valento
Dimler	Heinritz	McDonald	Schoenfeld	Waltman
Erickson	Himle	McKasy	Schreiber	Welker
Evans	Hoberg	Olsen	Seaberg	Wigley
Findlay	Hokr	Omann	Shaver	Zaffke

Those who voted in the negative were:

Anderson, B.	Elioff	McEachern	Price	Swanson
Anderson, G.	Ellingson	Metzen	Quinn	Tomlinson
Anderson, R.	Graba	Minne	Rice	Tunheim
Battaglia	Greenfield	Munger	Rodosovich	Vanasek
Beard	Hoffman	Murphy	Rodriguez, C.	Vellenga
Begich	Jacobs	Nelson, D.	Rodriguez, F.	Voss
Bergstrom	Jensen	Nelson, K.	St. Onge	Welch
Brandt	Kahn	Neuenschwander	Sarna	Welle
Brinkman	Kalis	Norton	Scheid	Wenzel
Carlson, L.	Kelly	O'Connor	Segal	Wynia
Clark, J.	Kostohryz	Ogren	Simoneau	Speaker Sieben
Clark, K.	Krueger	Osthoff	Skoglund	
Clawson	Larsen	Otis	Solberg	
Coleman	Long	Peterson	Sparby	
Eken	Mann	Piper	Staten	

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

MOTION FOR RECONSIDERATION

Valento moved that the vote whereby the Welker amendment to H. F. No. 1290, as amended, was adopted be now reconsidered. The motion prevailed.

The Welker amendment was reported to the House.

Welker moved to amend H. F. No. 1290, as amended, as follows:

Page 94, delete section 106

Re number the sections

Amend the title as follows:

Page 1, line 27, delete "271.01, subdivision 1;"

A roll call was requested and properly seconded.

The question was taken on the amendment and the roll was called.

Vanasek moved that those not voting be excused from voting. The motion prevailed.

There were 62 yeas and 69 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Findlay	Ludeman	Rodriguez, F.	Thiede
Anderson, G.	Fjoslien	Marsh	Rose	Tunheim
Anderson, R.	Gutknecht	McDonald	Sarna	Uphus
Battaglia	Haukoos	McEachern	Schafer	Valan
Beard	Heap	Metzen	Schoenfeld	Vanasek
Begich	Hokr	Minne	Shaver	Voss
Berkelman	Jacobs	Neuenschwander	Shea	Waltman
Brinkman	Jennings	O'Connor	Skoglund	Welker
Burger	Jensen	Omann	Sparby	Wigley
Carlson, L.	Johnson	Osthoff	Stadum	Zaffke
Clark, J.	Kalis	Quist	Staten	
DenOuden	Kelly	Redalen	Sviggum	
Dimler	Kostohryz	Rodosovich	Swanson	

Those who voted in the negative were:

Bennett	Erickson	Knuth	Olsen	Scheid
Bergstrom	Evans	Krueger	Onnen	Schreiber
Bishop	Forsythe	Kvam	Otis	Seaberg
Blatz	Graba	Larsen	Pauly	Segal
Brandl	Greenfield	Levi	Peterson	Sherman
Carlson, D.	Gruenes	Long	Piepho	Solberg
Clark, K.	Gustafson	Mann	Piper	Valento
Clawson	Halberg	McKasy	Price	Vellenga
Cohen	Heimitz	Munger	Quinn	Welch
Coleman	Himle	Murphy	Reif	Welle
Dempsey	Hoberg	Nelson, D.	Rice	Wenzel
Eken	Hoffman	Nelson, K.	Riveness	Wynia
Elioff	Kahn	Norton	Rodriguez, C.	Speaker Sieben
Ellingson	Knickerbocker	Ogren	St. Onge	

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

McDonald and Dimler moved to amend H. F. No. 1290, as amended, as follows:

Page 18, line 17, delete "84,311,000 85,697,100" and insert "83,272,700 84,151,300"

Page 18, line 23, delete "\$45,399,100" and insert "\$44,360,800"

Page 18, line 24, delete "46,702,700" and insert "45,156,900"

Page 19, line 50, delete "\$4,550,700 \$5,073,500" and insert "\$3,512,400 \$3,527,700"

Page 20, delete lines 13 to 40

A roll call was requested and properly seconded.

The question was taken on the amendment and the roll was called.

Vanasek moved that those not voting be excused from voting. The motion prevailed.

There were 42 yeas and 83 nays as follows:

Those who voted in the affirmative were:

Bishop	Forsythe	Levi	Quist	Valan
Blatz	Gruenes	Ludeman	Redalen	Valento
Burger	Gutknecht	Marsh	Reif	Vanasek
Clawson	Halberg	McDonald	Schafer	Welker
Dempsey	Haukoos	McKasy	Schreiber	Wigley
DenOuden	Heinitz	Olsen	Seaberg	Zaffke
Dimler	Hoberg	Onnen	Shaver	
Erickson	Hokr	Pauly	Stadum	
Fjoslien	Jennings	Piepho	Sviggum	

Those who voted in the negative were:

Anderson, B.	Elioff	Larsen	Piper	Skoglund
Anderson, G.	Ellingson	Long	Price	Solberg
Anderson, R.	Evans	Mann	Quinn	Sparby
Battaglia	Findlay	McEachern	Rice	Staten
Beard	Graba	Minne	Riveness	Swanson
Begich	Greenfield	Munger	Rodosovich	Tomlinson
Bennett	Gustafson	Murphy	Rodriguez, C.	Tunheim
Bergstrom	Hoffman	Nelson, D.	Rodriguez, F.	Uphus
Berkelman	Jacobs	Nelson, K.	Rose	Vellenga
Brandl	Jensen	Neuenschwander	St. Onge	Waltman
Brinkman	Johnson	Norton	Sarna	Welch
Carlson, L.	Kahn	O'Connor	Scheid	Welle
Clark, J.	Kalis	Ogren	Schoenfeld	Wenzel
Clark, K.	Knickerbocker	Omann	Segal	Wynia
Cohen	Knuth	Osthoff	Shea	Speaker Sieben
Coleman	Kostohryz	Otis	Sherman	
Eken	Krueger	Peterson	Simoneau	

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

The Speaker resumed the Chair.

Dimler and McDonald moved to amend H. F. No. 1290, as amended, as follows:

Page 18, line 17, delete "84,311,000 85,697,100" and insert "83,692,600 85,078,700"

Page 18, line 23, delete "\$45,399,100" and insert "\$44,981,100"

Page 18, line 24, delete "\$46,702,700" and insert "\$46,284,700"

Page 27, line 27, delete "\$4,292,300 \$4,092,300" and insert "\$3,673,900 \$3,473,900"

Page 27, delete lines 39 to 43

A roll call was requested and properly seconded.

The question was taken on the amendment and the roll was called.

Vanasek moved that those not voting be excused from voting. The motion prevailed.

There were 52 yeas and 72 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Fjoslien	Ludeman	Reif	Uphus
Bennett	Forsythe	Marsh	Rose	Valan
Bishop	Gruenes	McDonald	Schafer	Valento
Blatz	Gutknecht	McKasy	Schoenfeld	Waltman
Brinkman	Haukoos	Olsen	Seaberg	Welker
Burger	Heinitz	Omann	Shaver	Wenzel
Dempsey	Himle	Onnen	Shea	Wigley
DenOuden	Hokr	Pauly	Sherman	Zaffke
Dimler	Jennings	Piepho	Stadum	
Erickson	Johnson	Quist	Sviggum	
Evans	Knickerbocker	Redalen	Thiede	

Those who voted in the negative were:

Anderson, B.	Eken	Long	Peterson	Skoglund
Anderson, G.	Elioff	Mann	Piper	Solberg
Battaglia	Ellingson	McEachern	Price	Sparby
Beard	Graba	Metzen	Quinn	Staten
Begich	Greenfield	Minne	Rice	Swanson
Bergstrom	Gustafson	Munger	Riveness	Tomlinson
Berkelman	Jacobs	Murphy	Rodosovich	Tunheim
Brandl	Jensen	Nelson, D.	Rodriguez, C.	Vellenga
Carlson, D.	Kahn	Nelson, K.	Rodriguez, F.	Welch
Carlson, L.	Kalis	Neuenschwander	St. Onge	Welle
Clark, J.	Kelly	Norton	Sarna	Wynia
Clark, K.	Knuth	O'Connor	Scheid	Speaker Sieben
Clawson	Kostohryz	Ogren	Schreiber	
Cohen	Krueger	Osthoff	Segal	
Coleman	Larsen	Otis	Simcneau	

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

Findlay moved to amend H. F. No. 1290, as amended, as follows:

Page 26, line 38, strike "1,415,300 1,445,800" and insert "1,303,400 1,332,500"

Page 26, line 39, strike "28" and insert "26"

Page 26, insert "Sec. 25a. [WATER RESOURCES BOARD.]
111,900 113,300

Approved Complement—3"

Pages 68 to 70, strike Sec. 77

Pages 74 to 76, strike subdivisions 1 and 2a of Sec. 87

Page 76, line 15, delete "BOARDS" and insert "BOARD"

Page 76, delete line 16

Page 76, line 18, delete "are" and insert "is"

Page 76, line 22, delete ", the water resources board,"

Page 106, line 27, strike Sec. 124

Page 106, delete line 35

Page 106, line 36, strike everything before "114A.01"

Further amend the title as follows:

Page 1, line 18, delete "40.072, subdivision 3;"

Page 1, line 38, delete "105.71; 105.72; 105.73;"

Page 1, delete line 39

Page 1, line 40, delete "105.79;"

A roll call was requested and properly seconded.

The question was taken on the amendment and the roll was called.

Vanasek moved that those not voting be excused from voting. The motion did not prevail.

Pursuant to rule 2.5, Knuth requested that he be excused from voting on the Findlay amendment to H. F. No. 1290, as amended. The request was granted.

Vanasek moved that those not voting be excused from voting. The motion prevailed.

There were 66 yeas and 66 nays as follows :

Those who voted in the affirmative were :

Anderson, B.	Findlay	Johnson	Piepho	Sviggum
Anderson, G.	Fjoslien	Kalis	Quist	Thiede
Anderson, R.	Forsythe	Knickerbocker	Redalen	Tunheim
Bennett	Frerichs	Kvam	Reif	Uphus
Bishop	Gruenes	Levi	Rose	Valan
Blatz	Gutknecht	Ludeman	St. Onge	Valento
Burger	Halberg	Marsh	Schafer	Waltman
Carlson, D.	Haukoos	McDonald	Schreiber	Welker
Cohen	Heap	McKasy	Seaberg	Wigley
Dempsey	Heinitz	Neuenschwander	Shaver	Zaffke
DenOuden	Himle	Olsen	Shea	
Dimler	Hoberg	Omann	Sherman	
Erickson	Hokr	Onnen	Sparby	
Evans	Jennings	Pauly	Stadum	

Those who voted in the negative were :

Battaglia	Ellingson	McEachern	Price	Staten
Beard	Graba	Metzen	Quinn	Swanson
Begich	Greenfield	Minne	Rice	Tomlinson
Bergstrom	Gustafson	Munger	Riveness	Vanasek
Berkelman	Hoffman	Murphy	Rodosovich	Vellenga
Brandl	Jacobs	Nelson, D.	Rodriguez, C.	Welch
Brinkman	Jensen	Nelson, K.	Rodriguez, F.	Welle
Carlson, L.	Kahn	Norton	Sarna	Wenzel
Clark, J.	Kelly	O'Connor	Scheid	Wynia
Clark, K.	Kostohryz	Ogren	Schoenfeld	Speaker Sieben
Clawson	Krueger	Osthoff	Segal	
Coleman	Larsen	Otis	Simoneau	
Eken	Long	Peterson	Skoglund	
Elioff	Mann	Piper	Solberg	

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

Jennings moved to amend H. F. No. 1290, as amended, as follows :

Page 13, line 2, delete "20,688,200 20,869,100" and insert "20,664,400 20,843,100"

Page 13, line 13, delete "\$9,229,300 \$9,410,200" and insert "\$9,205,500 \$9,384,200"

Page 13, line 28, delete "\$226,000" and "\$227,400" and insert "\$202,200" and "\$201,400"

A roll call was requested and properly seconded.

The question was taken on the amendment and the roll was called. There were 60 yeas and 74 nays as follows :

Those who voted in the affirmative were:

Anderson, R.	Fjoslien	Jennings	Pauly	Sherman
Bennett	Forsythe	Johnson	Piepho	Stadum
Bishop	Frerichs	Knickerbocker	Quist	Swiggum
Blatz	Gruenes	Kvam	Redalen	Thiede
Burger	Gutknecht	Levi	Reif	Uphus
Cohen	Halberg	Ludeman	Rodriguez, C.	Valan
Derapsey	Haukoos	Marsh	Rose	Valento
DenOuden	Heap	McDonald	Schafer	Waltman
Dimler	Heinitz	McKasy	Schreiber	Welker
Erickson	Himle	Olsen	Seaberg	Wenzel
Evans	Hoberg	Omamm	Shaver	Wigley
Findlay	Hokr	Onnen	Shea	Zaffke

Those who voted in the negative were:

Anderson, B.	Eken	Larsen	Otis	Skoglund
Anderson, G.	Elioff	Long	Peterson	Solberg
Battaglia	Ellingson	Mann	Piper	Sparby
Beard	Graba	McEachern	Price	Staten
Begich	Greenfield	Metzen	Quinn	Swanson
Bergstrom	Gustafson	Minne	Rice	Tomlinson
Berkelman	Hoffman	Munger	Riveness	Tunheim
Brandl	Jacobs	Murphy	Rodosovich	Vanasek
Brinkman	Jensen	Nelson, D.	Rodriguez, F.	Vellenga
Carlson, D.	Kahn	Nelson, K.	St. Orge	Voss
Carlson, L.	Kalis	Neuenschwander	Sarna	Welch
Clark, J.	Kelly	Norton	Scheid	Welle
Clark, K.	Knuth	O'Connor	Schoenfeld	Wynia
Clawson	Kostohryz	Ogren	Segal	Speaker Sieben
Coleman	Krueger	Osthoff	Simoneau	

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

Ludeman moved to amend H. F. No. 1290, as amended, as follows:

Page 2, line 27, strike "27,469,700 29,234,700" and insert "24,469,700 26,234,700"

Page 2, line 28, strike "8,664,300 9,094,200" and insert "7,664,300 8,094,200"

Page 2, line 29, strike "12,266,000 13,520,000" and insert "10,266,000 11,520,000"

A roll call was requested and properly seconded.

Vanasek moved that the proposed Ludeman amendments numbered 1 through 28, which are currently at the House desk be voted on at the same time.

POINT OF ORDER

Jennings raised a point of order that the Vanasek motion was not in order. The Speaker ruled the point of order well taken and the motion not in order.

The question recurred on the Ludeman amendment and the roll was called.

Vanasek moved that those not voting be excused from voting. The motion prevailed.

There were 56 yeas and 73 nays as follows :

Those who voted in the affirmative were :

Anderson, B.	Frerichs	Kvam	Redalen	Uphus
Bennett	Gruenes	Levi	Reif	Valan
Blatz	Cutknecht	Ludeman	Rodriguez, C.	Valento
Burger	Halberg	Marsh	Rose	Waltman
Dempsey	Haukoos	McDonald	Schafer	Welker
DenOuden	Heap	McKasy	Schreiber	Wenzel
Dimler	Heinitz	Olsen	Seaberg	Wigley
Erickson	Himle	Omann	Shea	Zaffke
Evans	Hokr	Onnen	Sherman	
Findlay	Jennings	Pauly	Stadum	
Fjoslien	Johnson	Piepho	Sviggunn	
Forsythe	Knickerbocker	Quist	Thiede	

Those who voted in the negative were :

Anderson, G.	Coleman	Krueger	Peterson	Solberg
Anderson, R.	Eken	Larsen	Piper	Sparby
Battaglia	Elioff	Mann	Price	Staten
Beard	Ellingson	McEachern	Quinn	Swanson
Begich	Graba	Metzen	Rice	Tomlinson
Bergstrom	Greenfield	Minne	Riveness	Tunheim
Berkelman	Gustafson	Munger	Rodosovich	Vanasek
Bishop	Hoffman	Murphy	Rodriguez, F.	Vellenga
Brandl	Jacobs	Nelson, D.	St. Onge	Voss
Brinkman	Jensen	Nelson, K.	Sarna	Welch
Carlson, D.	Kahn	Neuenschwander	Scheid	Welle
Carlson, L.	Kalis	O'Connor	Schoenfeld	Wynia
Clark, J.	Kelly	Ogren	Segal	Speaker Sieben
Clark, K.	Knuth	Osthoff	Simoneau	
Clawson	Kostohryz	Otis	Skoglund	

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

Welle was excused for the remainder of today's session.

Ludeman moved to amend H. F. No. 1290, as amended, as follows :

Page 4, line 8, strike "7,377,950 7,518,600" and insert "6,377,950 6,518,600"

Page 4, line 13, strike "3,753,700 3,550,500" and insert "3,253,700 3,050,500"

Page 4, line 24, strike "2,144,950 2,446,300" and insert "1,644,950 1,946,300"

A roll call was requested and properly seconded.

The question was taken on the amendment and the roll was called.

Vanasek moved that those not voting be excused from voting. The motion prevailed.

There were 41 yeas and 83 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Gruenes	Kvam	Reif	Valan
Bennett	Gutknecht	Levi	Rose	Valento
Blatz	Haukoos	Ludeman	Schafer	Waltman
Burger	Heap	Marsh	Seaberg	Wigley
Dimier	Heinitz	McDonald	Shaver	Zaffke
Erickson	Hoberg	McKasy	Stadum	
Evans	Hokr	Omann	Sviggum	
Findlay	Jennings	Onnen	Thiede	
Fjoslien	Johnson	Quist	Uphus	

Those who voted in the negative were:

Anderson, G.	Eken	Larsen	Peterson	Simoneau
Battaglia	Elioff	Long	Piepho	Skoglund
Beard	Ellingson	Mann	Piper	Solberg
Begich	Graba	McEachern	Price	Sparby
Berkelman	Greenfield	Metzen	Quinn	Staten
Bishop	Gustafson	Minne	Rice	Swanson
Brandl	Halberg	Munger	Riveness	Tomlinson
Brinkman	Hoffman	Murphy	Rodosovich	Tunheim
Carlson, D.	Jacobs	Nelson, D.	Rodriguez, C.	Vanasek
Carlson, L.	Jensen	Nelson, K.	Rodriguez, F.	Vellenga
Clark, J.	Kahn	Neuenschwander	St. Onge	Welch
Clark, K.	Kalis	Norton	Sarna	Welker
Clawson	Kelly	O'Connor	Scheid	Wenzel
Cohen	Knickerbocker	Ogren	Schoenfeld	Wynia
Coleman	Knuth	Olsen	Segal	Speaker Sieben
Dempsey	Kostohryz	Osthoff	Shea	
DenOuden	Krueger	Otis	Sherman	

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

Ludeman moved to amend H. F. No. 1290, as amended, as follows:

Page 6, line 14, strike "122,500 125,200" and insert "92,500 105,200"

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

Ludeman moved to amend H. F. No. 1290, as amended, as follows:

Page 6, line 19, strike "349,400 349,300" and insert "299,400 299,300"

Page 6, line 27, strike "95,000 95,000" and insert "80,000 80,000"

Page 6, line 30, strike "55,000 55,000" and insert "45,000 45,000"

Page 6, line 34, strike "85,000 85,000" and insert "75,000 75,000"

Page 6, line 39, strike "52,500 52,500" and insert "45,000 45,000"

Page 7, line 3, strike "52,500 52,500" and insert "45,000 45,000"

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

Ludeman moved to amend H. F. No. 1290, as amended, as follows:

Page 7, line 47, strike "1,991,400 2,009,300" and insert "1,791,400 1,709,300"

Page 8, line 2, strike "1,929,600 1,947,500" and insert "1,729,600 1,647,500"

A roll call was requested and properly seconded.

The question was taken on the amendment and the roll was called.

Vanasek moved that those not voting be excused from voting. The motion prevailed.

There were 47 yeas and 73 nays as follows:

Those who voted in the affirmative were:

Blatz	Halberg	Ludeman	Reif	Uphus
Burger	Haukoos	Marsh	Rose	Valan
DenOuden	Heap	McDonald	Schafer	Valento
Dimler	Hcinitz	McKasy	Seaberg	Waltman
Evans	Hoberg	Olsen	Shaver	Welker
Findlay	Hokr	Omann	Shea	Wigley
Fjoslien	Jennings	Onnen	Sherman	Zaffke
Forsythe	Johnson	Piepho	Stadum	
Cruenes	Knickerbocker	Quist	Sviggum	
Gutknecht	Kvam	Redalen	Thiede	

Those who voted in the negative were:

Anderson, B.	Cohen	Kostohryz	Osthoff	Skoglund
Anderson, G.	Coleman	Krueger	Otis	Solberg
Battaglia	Dempsey	Larsen	Piper	Sparby
Beard	Eken	Long	Price	Staten
Begich	Elioff	Mann	Quinn	Swanson
Bergstrom	Ellingson	McEachern	Rice	Tomlinson
Berkelman	Greenfield	Minne	Riveness	Tunheim
Bishop	Gustafson	Munger	Rodosovich	Vanasek
Brandl	Hoffman	Murphy	Rodriguez, C.	Yellenga
Brinkman	Jacobs	Nelson, D.	Rodriguez, F.	Welch
Carlson, D.	Jensen	Nelson, K.	St. Onge	Wenzel
Carlson, L.	Kahn	Neuenschwander	Sarna	Wynia
Clark, J.	Kalis	Norton	Scheid	Speaker Sieben
Clark, K.	Kelly	O'Connor	Segal	
Clawson	Knuth	Ogren	Simoneau	

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

Ludeman moved to amend H. F. No. 1290, as amended, as follows:

Page 10, line 24, strike "1,011,800 1,011,800" and insert "911,800 911,800"

Page 10, line 30, strike "639,300 625,900" and insert "559,300 545,900"

Page 10, line 32, strike "372,500 385,900" and insert "352,500 365,900"

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

Ludeman moved to amend H. F. No. 1290, as amended, as follows:

Page 10, line 40, strike "12,706,200 13,156,200" and insert "10,706,200 11,156,200"

Page 10, line 48, strike "1,522,900 1,585,500" and insert "1,222,900 1,285,500"

Page 11, line 2, strike "3,059,800 3,193,200" and insert "2,559,800 2,693,200"

Page 11, line 4, strike "1,720,500 1,791,900" and insert "1,520,500 1,591,900"

Page 11, line 6, strike "3,435,000 3,574,500" and insert "2,935,000 3,074,500"

Page 11, line 55, strike "2,968,000 3,011,100" and insert "2,468,000 2,511,100"

A roll call was requested and properly seconded.

The question was taken on the amendment and the roll was called.

Minne moved that those not voting be excused from voting. The motion prevailed.

There were 52 yeas and 77 nays as follows:

Those who voted in the affirmative were:

Bennett	Forsythe	Jennings	Quist	Thiede
Bishop	Frerichs	Johnson	Redalen	Uphus
Blatz	Gruenes	Knickerbocker	Reif	Valan
Burger	Gutknecht	Kvam	Rose	Valento
Dempsey	Halberg	Levi	Schafer	Waltman
DenOuden	Haukoos	Ludeman	Schreiber	Welker
Dimler	Heap	Marsh	Seaberg	Wigley
Erickson	Heinitz	McDonald	Shaver	Zaffke
Evans	Himle	Omann	Sherman	
Findlay	Heberg	Onnen	Stadum	
Fjoslien	Hokr	Pauly	Sviggum	

Those who voted in the negative were:

Anderson, B.	Elioff	Mann	Piper	Solberg
Anderson, G.	Ellingson	McKasy	Price	Sparby
Battaglia	Craba	Metzen	Quinn	Staten
Beard	Greenfield	Minne	Rice	Swanson
Begich	Gustafson	Munger	Riveness	Tomlinson
Bergstrom	Hoffman	Murphy	Rodosovich	Tunheim
Berkelman	Jacobs	Nelson, D.	Rodriguez, C.	Vanasek
Brandl	Jensen	Nelson, K.	Rodriguez, F.	Vellenga
Brinkman	Kahn	Neuenschwander	St. Onge	Voss
Carlson, L.	Kalis	Norton	Sarna	Welch
Clark, J.	Kelly	O'Connor	Scheid	Wenzel
Clark, K.	Knuth	Ogren	Schoenfeld	Wynia
Clawson	Kostohryz	Osthoff	Segal	Speaker Sieben
Cohen	Krueger	Otis	Shea	
Coleman	Larsen	Peterson	Simoneau	
Eken	Long	Piepho	Skoglund	

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

Ludeman moved to amend H. F. No. 1290, as amended, as follows:

Page 14, line 38, strike Section 17

A roll call was requested and properly seconded.

The question was taken on the amendment and the roll was called.

Minne moved that those not voting be excused from voting. The motion prevailed.

There were 56 yeas and 73 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Frerichs	Johnson	Redalen	Uphus
Bennett	Gruenes	Kvam	Rose	Valan
Bergstrom	Gutknecht	Levi	Schafer	Valento
Bishop	Halberg	Ludeman	Schoenfeld	Voss
Blatz	Haukoos	Marsh	Schreiber	Waltman
Burger	Heap	McDonald	Scaberg	Welker
Dempsey	Heinitz	McKasy	Shaver	Wigley
DenOuden	Himle	Omman	Shea	Zaffke
Dimler	Hoberg	Onnen	Sherman	
Erickson	Hoffman	Pauly	Stadum	
Fjoslien	Hokr	Price	Sviggum	
Forsythe	Jennings	Quist	Thiede	

Those who voted in the negative were:

Anderson, G.	Elioff	Larsen	Osthoff	Skoglund
Battaglia	Ellingson	Long	Otis	Solberg
Beard	Evans	Mann	Piper	Sparby
Begich	Graba	McEachern	Quinn	Staten
Berkelman	Greenfield	Metzen	Reif	Swanson
Brandl	Gustafson	Minne	Rice	Tomlinson
Brinkman	Jacobs	Munger	Riveness	Tunheim
Carlson, D.	Jensen	Murphy	Rodosovich	Vanasek
Carlson, L.	Kahn	Nelson, D.	Rodriguez, C.	Vellenga
Clark, J.	Kalis	Nelson, K.	Rodriguez, F.	Welch
Clark, K.	Kelly	Neuenschwander	St. Onge	Wenzel
Clawson	Knickerbocker	Norton	Sarna	Wynia
Cohen	Knuth	O'Connor	Scheid	Speaker Sieben
Coleman	Kostohryz	Ogren	Segal	
Eken	Krueger	Olsen	Simoncau	

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

The Speaker called Wynia to the Chair.

Ludeman moved to amend H. F. No. 1290, as amended.

Bishop requested a division of the Ludeman amendment to H. F. No. 1290, as amended.

The first portion of the Ludeman amendment to H. F. No. 1290, as amended, reads as follows:

Page 19, line 1, strike "6,338,200 6,601,100" and insert "5,838,200 6,101,100"

A roll call was requested and properly seconded.

The question was taken on the first portion of the Ludeman amendment and the roll was called.

Staten moved that those not voting be excused from voting. The motion prevailed.

There were 52 yeas and 68 nays as follows :

Those who voted in the affirmative were :

Bennett	Fjoslien	Knickerbocker	Pauly	Sviggum
Bergstrom	Forsythe	Krueger	Quinn	Thiede
Bishop	Gruenes	Kvam	Quist	Uphus
Blatz	Halberg	Levi	Redalen	Valento
Burger	Haukoos	Ludeman	Reif	Waltman
Carlson, D.	Heap	Marsh	Schafer	Welker
Dempsey	Hoberg	McDonald	Schreiber	Wigley
DenOuden	Hoffman	McKasy	Seaberg	Zaffke
Dimler	Hokr	Olsen	Shaver	
Erickson	Jennings	Omann	Shea	
Findlay	Johnson	Onnen	Sherman	

Those who voted in the negative were :

Anderson, G.	Elioff	Mann	Peterson	Sparby
Battaglia	Ellingson	McEachern	Piper	Staten
Beard	Graba	Mctzen	Price	Swanson
Begich	Greenfield	Minne	Rice	Tomlinson
Berkelman	Gustafson	Munger	Riveness	Tunheim
Brandl	Heinitz	Murphy	Rodosovich	Vanasek
Brinkman	Jacobs	Nelson, D.	Rodriguez, F.	Vellenga
Carlson, L.	Jensen	Nelson, K.	St. Onge	Voss
Clark, J.	Kahn	Neuenschwander	Scheid	Weich
Clark, K.	Kelly	Norton	Schoentfeld	Wenzel
Clawson	Knuth	O'Connor	Segal	Wynia
Cohen	Kostohryz	Ogren	Simoneau	Speaker Sieben
Coleman	Larsen	Osthoff	Skoglund	
Eken	Long	Otis	Solberg	

The motion did not prevail and the first portion of the Ludeman amendment was not adopted.

The second portion of the Ludeman amendment to H. F. No. 1290, as amended, reads as follows :

Page 18, line 17, strike "84,311,000 85,697,100" and insert "73,311,000 74,697,100"

Page 19, line 41, strike "3,326,800 3,356,500" and insert "2,326,800 2,356,500"

Page 19, line 50, strike "4,550,700 5,073,500" and insert "3,550,700 4,073,500"

Page 20, line 56, strike "18,639,800 19,527,400" and insert "16,639,800 17,527,400"

Page 22, line 9, strike "10,462,600 9,623,600" and insert "8,462,600 7,623,600"

Page 22, line 34, strike "10,301,700 10,423,400" and insert "9,301,700 9,423,400"

Page 24, line 27, strike "3,612,500 3,679,900" and insert "3,112,500 3,179,900"

A roll call was requested and properly seconded.

The question was taken on the second portion of the Ludeman amendment and the roll was called.

Staten moved that those not voting be excused from voting. The motion prevailed.

There were 44 yeas and 77 nays as follows:

Those who voted in the affirmative were:

Blatz	Haukoos	Levi	Quinn	Sviggum
Burger	Heap	Ludeman	Quist	Uphus
DenOuden	Heinitz	Marsh	Redalen	Yalan
Dimler	Hoberg	McDonald	Schafer	Valento
Erickson	Hoffman	McKasy	Schreiber	Walman
Findlay	Hokr	Olsen	Seaberg	Welker
Fjoslien	Johnson	Omann	Shaver	Wigley
Forsythe	Knickerbocker	Onnen	Shea	Zaffke
Gruenes	Kvam	Pauly	Sherman	

Those who voted in the negative were:

Anderson, G.	Coleman	Larsen	Peterson	Skoglund
Battaglia	Dempsey	Long	Piepho	Solberg
Beard	Eken	Mann	Piper	Sparby
Begich	Elioff	McEachern	Price	Staton
Bennett	Ellingson	Metzen	Rice	Swanson
Bergstrom	Graba	Minne	Riveness	Tomlinson
Berkelman	Greenfield	Munger	Rodosovich	Tunheim
Bishop	Gustafson	Murphy	Rodriguez, C.	Vanasek
Brandl	Jacobs	Nelson, D.	Rodriguez, F.	Vellenga
Brinkman	Jensen	Nelson, K.	Rose	Voss
Carlson, D.	Kahn	Neuenschwander	St. Onge	Wenzel
Carlson, L.	Kalis	Norton	Sarna	Wynia
Clark, J.	Kelly	O'Connor	Scheid	Speaker Sieben
Clark, K.	Knuth	Ogren	Schoenfeld	
Clawson	Kostohryz	Osthoff	Segal	
Cohen	Krueger	Otis	Simoneau	

The motion did not prevail and the second portion of the Ludeman amendment was not adopted.

Ludeman moved to amend H. F. No. 1290, as amended, as follows:

Page 47, line 13, strike "33,545,500 68,450,000" and insert "16,773,000 34,225,000"

Page 47, line 17, strike "23,400,000 47,750,000" and insert "11,700,000 23,875,000"

Page 47, line 19, strike "75,000 150,000" and insert "37,500 75,000"

Page 47, line 21, strike "9,850,000 20,100,000" and insert "4,925,000 10,050,000"

Page 47, line 23, strike "220,000 450,000" and insert "110,000 225,000"

A roll call was requested and properly seconded.

The question was taken on the amendment and the roll was called.

Staten moved that those not voting be excused from voting. The motion prevailed.

There were 33 yeas and 82 nays as follows:

Those who voted in the affirmative were:

Burger	Haukoos	Ludeman	Schafer	Valan
Dempsey	Heap	Omamm	Schreiber	Valento
DenOuden	Heinitz	Onnen	Seaberg	Welker
Dimler	Jennings	Pauly	Shaver	Wigley
Fjoslien	Johnson	Piepho	Shea	Zaffke
Frerichs	Kvam	Quist	Stadum	
Gutknecht	Levi	Redalen	Uphus	

Those who voted in the negative were:

Anderson, G.	Coleman	Long	Piper	Sparby
Anderson, R.	Eken	Mann	Price	Staten
Battaglia	Elioff	Marsh	Quinn	Sviggum
Beard	Ellingson	McEachern	Rice	Swanson
Begich	Greenfield	McIzen	Riveness	Thiede
Bennett	Gustafson	Minne	Rodosovich	Tomlinson
Bergstrom	Hoffman	Munger	Rodriguez, C.	Tunheim
Berkelman	Jacobs	Murphy	Rodriguez, F.	Vanasek
Bishop	Jensen	Nelson, D.	St. Onge	Vellenga
Brandl	Kahn	Nelson, K.	Sarna	Waltman
Brinkman	Kalis	Neuenschwander	Scheid	Welch
Carlson, D.	Kelly	Norton	Schoenfeld	Wenzel
Carlson, L.	Knickerbocker	O'Connor	Segal	Wynia
Clark, J.	Knuth	Ogren	Sherman	Speaker Sieben
Clark, K.	Kostohryz	Olsen	Simoneau	
Clawson	Krueger	Osthoff	Skoglund	
Cohen	Larsen	Otis	Solberg	

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

Berkelman moved to amend H. F. No. 1290, as amended, as follows:

Page 13, after line 42, insert:

"The Department of Administration shall designate adequate space on second floor of the capitol building to be retained for food distribution services pursuant to section 248.07, subdivision 7."

The motion prevailed and the amendment was adopted.

Sviggum moved to amend H. F. No. 1290, as amended, as follows:

Page 43, line 9, delete "\$1,513,400" and insert "\$1,313,400"

Page 43, line 9, delete "\$1,490,900" and insert "\$1,290,900"

Page 43, line 37, delete "\$1,050,400" and insert "\$850,400"

Page 43, line 37, delete "\$1,029,300" and insert "\$829,300"

Page 43, delete lines 38 to 44

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

Welker moved to amend H. F. No. 1290, as amended, as follows:

Page 25, after line 40, insert:

"For the biennium ending June 30, 1985, it is intended that 50% of the appropriation made in this section shall be recovered through fee receipts and contributions to the zoological garden. For each \$1 obtained the zoo shall receive \$2 of the appropriation. The zoological garden may receive 75% of the appropriation for each year prior to the receipt of any money through fees or contributions."

A roll call was requested and properly seconded.

The question was taken on the amendment and the roll was called.

Staten moved that those not voting be excused from voting. The motion prevailed.

There were 41 yeas and 82 nays as follows:

Those who voted in the affirmative were :

Blatz	Frerichs	Jennings	Olsen	Thiede
Burger	Gruenes	Johnson	Omann	Uphus
Dempsey	Gutknecht	Knickerbocker	Quist	Valento
DenOuden	Halberg	Kvam	Redalen	Welker
Dimler	Haukoos	Levi	Schafer	Zaffke
Erickson	Heap	Ludeman	Schreiber	
Evans	Heinitz	Marsh	Shaver	
Findlay	Himle	McDonald	Sherman	
Fjoslien	Hokr	McKasy	Sviggunn	

Those who voted in the negative were :

Anderson, G.	Eken	Long	Peterson	Solberg
Battaglia	Elioff	Mann	Piper	Sparby
Beard	Ellingson	McEachern	Price	Staten
Begich	Forsythe	Metzen	Quinn	Swanson
Bennett	Graba	Minne	Rice	Tomlinson
Bergstrom	Greenfield	Munger	Riveness	Tunheim
Berkelman	Gustafson	Murphy	Rodosovich	Valan
Bishop	Hoffman	Nelson, D.	Rodriguez, C.	Vanasek
Brandl	Jacobs	Nelson, K.	Rodriguez, F.	Vellenga
Brinkman	Jensen	Neuenschwander	St. Onge	Voss
Carlson, D.	Kahn	Norton	Sarna	Welch
Carlson, L.	Kalis	O'Connor	Scheid	Wenzel
Clark, J.	Kelly	Ogren	Schoenfeld	Wynia
Clark, K.	Knuth	Onnen	Seaberg	Speaker Sieben
Clawson	Kostohryz	Osthoff	Segal	
Cohen	Krueger	Otis	Simoneau	
Coleman	Larsen	Pauly	Skoglund	

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

Olsen moved to amend H. F. No. 1290, as amended, as follows :

Page 54, lines 20 to 25, delete section 60

A roll call was requested and properly seconded.

The Speaker resumed the Chair.

The question was taken on the amendment and the roll was called.

Minne moved that those not voting be excused from voting. The motion prevailed.

There were 74 yeas and 51 nays as follows :

Those who voted in the affirmative were :

Anderson, B.	Berkelman	Clawson	Evans	Graba
Anderson, G.	Bishop	Dempsey	Findlay	Gruenes
Anderson, R.	Blatz	DenOuden	Fjoslien	Gutknecht
Bennett	Burger	Dimler	Forsythe	Halberg
Bergstrom	Carlson, D.	Erickson	Frerichs	Haukoos

Heap	Krueger	Onnen	Schafer	Tunheim
Heinitz	Kvam	Pauly	Scheid	Uphus
Himle	Levi	Quinn	Schreiber	Valan
Hoberg	Ludeman	Quist	Scaberg	Valento
Hoffman	Marsh	Redalen	Shaver	Waltnan
Hokr	McDonald	Reif	Sherman	Welch
Jennings	McKasy	Rice	Stadum	Welker
Johnson	Norton	Riveness	Svigum	Wigley
Knickerbocker	Olsen	Rodriguez, C.	Swanson	Zaffke
Knuth	Omann	Rose	Thiede	

Those who voted in the negative were:

Battaglia	Gustafson	Minne	Piper	Staten
Beard	Jacobs	Munger	Price	Tomlinson
Begich	Jensen	Murphy	Rodosovich	Vanasek
Brandl	Kahn	Nelson, D.	Rodriguez, F.	Voss
Carlson, L.	Kelly	Nelson, K.	St. Onge	Wenzel
Clark, K.	Kostohryz	Neuenschwander	Sarna	Wynia
Cohen	Larsen	O'Connor	Schoenfeld	Speaker Sieben
Eken	Long	Ogren	Segal	
Elioff	Mann	Osthoff	Shea	
Ellingson	McEachern	Otis	Solberg	
Greenfield	Metzen	Peterson	Sparby	

The motion prevailed and the amendment was adopted.

Wynia moved to amend H. F. No. 1290, as amended, as follows:

Page 74, delete lines 11 to 22

Page 107, line 4, delete "107, 108, and 109" and insert "106, 107, and 108"

Page 107, line 6, delete "86" and insert "85"

Page 107, line 7, delete "87, 88, 89, and 124" and insert "86, 87, 88, and 123"

Renumber the remaining sections

A roll call was requested and properly seconded.

The question was taken on the amendment and the roll was called.

Minne moved that those not voting be excused from voting. The motion prevailed.

There were 46 yeas and 82 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Brandl	Clawson	Eken	Jensen
Anderson, G.	Clark, J.	Cohen	Ellingson	Kahn
Beard	Clark, K.	Coleman	Greenfield	Kelly

Knuth	Nelson, K.	Riveness	Simoneau	Welch
Kostohryz	Osthoff	Rodosovich	Skoglund	Wynia
Krueger	Otis	Rodriguez, C.	Sparby	Speaker Sieben
Larsen	Piper	Rodriguez, F.	Staten	
Mann	Price	Rose	Tomlinson	
Munger	Quinn	Scheid	Vanasek	
Nelson, D.	Rice	Segal	Vellenga	

Those who voted in the negative were:

Anderson, R.	Findlay	Jennings	Omann	Stadum
Battaglia	Fjoslien	Johnson	Onnen	Sviggum
Begich	Forsythe	Kalis	Pauly	Swanson
Bennett	Frerichs	Knickerbocker	Peterson	Thiede
Bergstrom	Graba	Kvam	Piepho	Tunheim
Bishop	Gruenes	Ludeman	Quist	Uphus
Blatz	Gustafson	Marsh	Redalen	Valan
Brinkman	Gutknecht	McDonald	Reif	Valento
Burger	Halberg	McEachern	St. Onge	Voss
Carlson, D.	Haukoos	McKasy	Sarna	Waltman
Carlson, L.	Heap	Metzen	Schafer	Welker
Dempsey	Heinitz	Minne	Schoenfeld	Wenzel
DenOuden	Himle	Murphy	Schreiber	Wigley
Dindler	Hoberg	Neuenschwander	Seaberg	Zaffke
Elioff	Hoffman	Norton	Shaver	
Erickson	Hokr	O'Connor	Sherman	
Evans	Jacobs	Olsen	Solberg	

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

Schreiber moved to amend H. F. No. 1290, as amended, as follows:

Page 62, line 21, restore the stricken language

Page 62, line 22, restore the stricken language and delete the new language

Page 62, lines 33 to 36, delete the new language

A roll call was requested and properly seconded.

The question was taken on the amendment and the roll was called.

Minne moved that those not voting be excused from voting. The motion prevailed.

There were 100 yeas and 12 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Bishop	Burger	DenOuden	Evans
Begich	Blatz	Carlson, L.	Dindler	Findlay
Bennett	Brandl	Clawson	Eken	Fjoslien
Berkelman	Brinkman	Dempsey	Erickson	Forsythe

Frerichs	Johnson	Norton	Reif	Solberg
Greenfield	Knuth	O'Connor	Rice	Sparby
Gruenes	Kostohryz	Ogren	Riveness	Staten
Gustafson	Krueger	Olsen	Rodosovich	Swiggum
Gutknecht	Kvam	Omann	Rodriguez, C.	Swanson
Halberg	Larsen	Onnen	Rodriguez, F.	Thiede
Haukoos	Long	Osthoff	Rose	Uphus
Heap	Ludeman	Otis	St. Onge	Valento
Heinitz	Mann	Pauly	Schafer	Vanasek
Himle	Marsh	Peterson	Scheid	Vellenga
Hoberg	McDonald	Piepho	Schoenfeld	Voss
Hoffman	McKasy	Piper	Schreiber	Waltman
Hokr	Metzen	Price	Seaberg	Welker
Jacobs	Minne	Quinn	Shaver	Wenzel
Jennings	Nelson, D.	Quist	Shea	Wigley
Jensen	Neuenschwander	Redalen	Sherman	Zaffke

Those who voted in the negative were:

Anderson, G.	Cohen	Kahn	Welch	Speaker Sieben
Battaglia	Elioff	Knickerbocker	Wynia	
Beard	Ellingson	Murphy		

The motion prevailed and the amendment was adopted.

Wynia moved to amend H. F. No. 1290, as amended, as follows:

Page 74, line 18, before the period insert "*outside the metropolitan area as defined in section 473.121*"

The motion prevailed and the amendment was adopted.

H. F. No. 1290, 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 with certain conditions; providing for the transfer of certain money in the state treasury; authorizing land acquisition in certain cases; fixing and limiting the amount of fees to be collected in certain cases; creating, abolishing, modifying, and transferring agencies and functions; imposing a penalty; amending Minnesota Statutes 1982, sections 3.732, by adding a subdivision; 15.16, subdivision 5; 15A.083, subdivision 1; 16.32, subdivision 2; 16.75, by adding a subdivision; 16.82, subdivision 1; 16.866, subdivision 1; 16A.125, subdivision 5; 16A.127, subdivisions 1 and 7; 16A.36; 16A.50; 16A.64, subdivisions 2 and 4; 16A.66, subdivisions 1, 2, and 3; 40.072, subdivision 3; 43A.05, subdivision 5; 85A.01, subdivision 2; 85A.04, subdivision 3; 98.47, by adding a subdivision; 98.48, subdivision 9; 105.405, subdivision 2; 105.41, subdivision 5; 116.07, subdivision 2a; 124.46, subdivision 2; 136.40, subdivision 8; 169.123, subdivision 6; 175A.05; 176.183, subdivision 2; 179.7411; 181A.12, subdivision 1; 183.375, subdivision 5; 183.411, subdivision 3; 183.545; 183.57, subdivision 2; 256.481; 256.482; 270.18; 271.01, subdivision 1; 290.06, subdivision 13; 296.18, subdivision 1; 296.421, subdivision 5; 309.53, subdivision 2, and by adding a subdivision; 357.08; 363.02, subdivision 1; 363.06, subdivision 4, and by add-

ing a subdivision; 363.071, subdivision 2; 462A.05, by adding a subdivision; 462A.21, by adding a subdivision; 480.09, subdivision 5; 480.241, subdivision 2; 480A.01, subdivision 2; 481.01; and 546.27, subdivision 2; Laws 1976, chapter 314, section 3; Laws 1980, chapter 614, section 192; proposing new law coded in Minnesota Statutes, chapters 3; 16A; 116C; 198; 270; repealing Minnesota Statutes 1982, sections 3.472; 3.86; 4.073; 105.71; 105.72; 105.73; 105.74; 105.75; 105.751; 105.76; 105.77; 105.78; 105.79; 114A.01; 114A.02; 114A.03; 114A.04; 114A.05; 114A.06; 114A.07; 114A.08; 114A.09; 193.35; 297A.05; and Laws 1965, chapter 66.

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 81 yeas and 52 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Coleman	Larsen	Peterson	Solberg
Anderson, G.	Eken	Long	Piepho	Sparby
Anderson, R.	Elioff	Mann	Piper	Staten
Battaglia	Ellingson	McEachern	Price	Swanson
Beard	Graba	Metzen	Quinn	Tomlinson
Begich	Greenfield	Minne	Rice	Tunheim
Bergstrom	Gustafson	Munger	Riveness	Vanasek
Berkelman	Hoffman	Murphy	Rodosovich	Vellenga
Bishop	Jacobs	Nelson, D.	Rodriguez, C.	Voss
Brandl	Jensen	Nelson, K.	Rodriguez, F.	Welch
Brinkman	Kahn	Neuenschwander	St. Onge	Wenzel
Carlson, D.	Kalis	Norton	Sarna	Wynia
Carlson, L.	Kelly	O'Connor	Scheid	Speaker Sieben
Clark, J.	Knickerbocker	Ogren	Schoenfeld	
Clark, K.	Knuth	Olsen	Segal	
Clawson	Kostohryz	Osthoff	Simoneau	
Cohen	Krueger	Otis	Skoglund	

Those who voted in the negative were:

Bennett	Frichs	Johnson	Redalen	Thiede
Blatz	Gruenes	Kvam	Reif	Uphus
Burger	Gutknecht	Levi	Rose	Valan
Dempsey	Halberg	Ludeman	Schafer	Valento
DenOuden	Haukoos	Marsh	Schreiber	Waltman
Dimler	Heap	McDonald	Seaberg	Weiker
Erickson	Heinitz	McKasy	Shaver	Wigley
Evans	Himle	Omann	Shea	Zaffke
Findlay	Hoberg	Onnen	Sherman	
Fjoslien	Hokr	Pauly	Stadum	
Forsythe	Jennings	Quist	Sviggum	

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

Rice from the Committee on Appropriations to which was referred:

H. F. No. 549, A bill for an act relating to education; establishing a lending program to fund school energy conservation investments; authorizing the issuance of state bonds pursuant to article XI of the Minnesota Constitution; appropriating money; amending Minnesota Statutes 1982, section 275.125, subdivisions 11a, 11b, and by adding a subdivision; and proposing new law coded in Minnesota Statutes, chapter 116J.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

“Section 1. [116J.37] [ENERGY CONSERVATION INVESTMENT LOANS.]

Subdivision 1. [DEFINITIONS.] In this section:

(a) “Commissioner” means the commissioner of energy, planning and development. Upon passage of legislation creating a body known as the Minnesota energy authority, the duties of the commissioner pursuant to sections 1 to 6 are delegated to the authority.

(b) “Maxi-audit” has the meaning given in section 116J.06, subdivision 12.

(c) “Energy conservation investments” mean all capital expenditures that are associated with conservation measures identified in a maxi-audit and that have a ten-year or less pay back period.

Subd. 2. [ELIGIBILITY.] The commissioner shall approve loans to school districts for energy conservation investments. A loan may be made to a school district that has demonstrated that it has complied with all the appropriate provisions of this section and has made adequate provisions to assure proper and efficient operation of the school facilities after improvements and modifications are completed.

Subd. 3. [APPLICATION.] Application for a loan to be made pursuant to this section shall be made by a school district to the commissioner on a form he or she prescribes by rule. The commissioner shall review each application to determine:

(a) whether or not the district's proposal is complete;

(b) *whether the project is eligible for a loan;*

(c) *the amount of the loan for which the project is eligible;*
and

(d) *the means by which the district proposes to finance the project including:*

(1) *a loan authorized by this section;*

(2) *a grant of money appropriated by state law;*

(3) *a grant to the district by an agency of the federal government within the amount of money then appropriated to that agency; or*

(4) *the appropriation of other money of the district to an account for the construction of the project.*

Subd. 4. [LOANS.] The commissioner shall approve loans to school districts on the following conditions:

(a) *A district must demonstrate that all audit activities for a given building or project have been completed, that the project is economically feasible, and that it has made adequate provisions to assure proper and efficient operation of the facility once the project is completed.*

(b) *A loan made pursuant to this section is repayable over a period of not more than ten years.*

Subd. 5. [PAYMENT; OBLIGATION.] The commissioner shall not approve payment to a school district pursuant to an approved loan until he or she has determined that financing of the project is assured by an irrevocable undertaking, by resolution of the governing body of the district, to annually levy or otherwise collect an amount of money sufficient to pay the principal and interest due on the loan as well as any of the commissioner of finance's administrative expenses according to the terms of the loan.

Subd. 6. [RECEIPTS; APPROPRIATION.] The commissioner of finance shall deposit in the state treasury all principal and interest payments received in repayment of the loans authorized by this section. These payments shall be credited to the state bond building fund and are appropriated to the commissioner of finance for the purposes of that account.

Subd. 7. [RULES.] The commissioner shall adopt rules necessary to carry out this section. The commissioner shall adopt temporary rules pursuant to sections 14.29 to 14.36, meeting the

requirements of this section. The rules shall contain as a minimum:

- (a) *procedures for application by districts;*
- (b) *criteria for reviewing loan applications; and*
- (c) *procedures and guidelines for program monitoring, close-out, and evaluation.*

Sec. 2. Minnesota Statutes 1982, section 275.125, subdivision 11a, is amended to read:

Subd. 11a. [CAPITAL EXPENDITURE LEVY.] (a) Each year a school district may levy an amount not to exceed the amount equal to \$90 per pupil unit, or \$95 per pupil unit in districts where the actual number of pupil units identified in section 124.17, subdivision 1, clauses (1) and (2), has increased from the prior year. No levy under this clause shall exceed seven mills times the adjusted assessed valuation of the taxable property in the district for the preceding year.

(b) The proceeds of the tax may be used to acquire land, to equip and re-equip buildings and permanent attached fixtures, to rent or lease buildings for school purposes, to pay leasing fees for computer systems hardware and related proprietary software, and to pay leasing fees for photocopy machines and telecommunications equipment. The proceeds of the tax may also be used for capital improvement and repair of school sites, buildings and permanent attached fixtures, energy assessments as required pursuant to section 116J.24, and for the payment of any special assessments levied against the property of the district authorized pursuant to section 435.19 or any other law or charter provision authorizing assessments against publicly owned property; provided that a district may not levy amounts to pay assessments for service charges, such as those described in section 429.101, whether levied pursuant to that section or pursuant to any other law or home rule provision. The proceeds of the tax may also be used for capital expenditures to reduce or eliminate barriers to or increase access to school facilities by handicapped individuals. The proceeds of the tax may also be used to make capital improvements to schoolhouses to be leased pursuant to section 123.36, subdivision 10. The proceeds of the tax may also be used to pay fees for capital outlay expenditures assessed and certified to each participating school district by the educational cooperative service unit board of directors. *The proceeds of the tax may also be used to pay principal and interest on loans from the state authorized by section 1.*

(c) Subject to the commissioner's approval, the tax proceeds may also be used to acquire or construct buildings. The state board shall promulgate rules establishing the criteria to be used

by the commissioner in approving and disapproving district applications requesting the use of capital expenditure tax proceeds for the acquisition or construction of buildings. The approval criteria for purposes of building acquisition and construction shall include: the appropriateness of the proposal for the district's long term needs; the availability of adequate existing facilities; and the economic feasibility of bonding because of the proposed building's size or cost.

(d) The board shall establish a fund in which the proceeds of this tax shall be accumulated until expended.

(e) The proceeds of the tax shall not be used for custodial or other maintenance services.

(f) Each year, subject to the seven mill limitation of clause (a) of this subdivision, a school district which operates an approved secondary vocational education program or an approved senior secondary industrial arts program may levy an additional amount equal to \$5 per pupil unit for capital expenditures for equipment for these programs.

(g) For purposes of computing allowable levies under this subdivision and subdivision 11b, pupil units shall include those units identified in section 124.17, subdivision 1, clauses (1) and (2), and 98.5 percent of the units identified in Minnesota Statutes 1980, Section 124.17, Subdivision 1, Clauses (4) and (5) for 1980-1981.

Sec. 3. Minnesota Statutes 1982, section 275.125, subdivision 11b, is amended to read:

Subd. 11b. [SPECIAL PURPOSE CAPITAL EXPENDITURE LEVY.] In 1981 and each year thereafter, in addition to the levy authorized in subdivision 11a, a school district may levy an amount not to exceed the amount equal to \$25 per pupil unit. No levy under this clause shall exceed two mills times the adjusted assessed valuation of the property in the district for the preceding year. The proceeds of the tax shall be placed in the district's capital expenditure fund and may be used only for the following:

(a) for energy audits on district owned buildings conducted pursuant to chapter 116H, and for funding those energy conservation and renewable energy measures which the energy audits indicate will reduce the use of nonrenewable sources of energy to the extent that the projected energy cost savings will amortize the cost of the conservation measures within a period of ten years or less;

(b) for capital expenditures for the purpose of reducing or eliminating barriers to or increasing access to school facilities by handicapped persons;

(c) for capital expenditures to bring district facilities into compliance with the uniform fire code adopted pursuant to chapter 299F; and

(d) to pay principal and interest on loans from the state authorized by section 1.

Sec. 4. Minnesota Statutes 1982, section 275.125, is amended by adding a subdivision to read:

Subd. 11c. The proceeds of the taxes levied pursuant to section 275.125, subdivisions 11a and 11b may be used to:

(a) *pay the costs of any energy audits; or*

(b) *repay loans from the state authorized by section 1.*

Sec. 5. [APPROPRIATIONS.]

Subdivision 1. The sum of \$30,000,000 is appropriated from the state building fund to the commissioner of finance for the purpose of making loans to school districts for energy conservation investments pursuant to section 1. Any expense incidental to the sale, printing, execution, and delivery of the bonds, including the costs of the commissioner of finance shall be paid from the proceeds of the bond sales authorized in section 6 and the amounts necessary for these expenses are hereby appropriated. To reduce the amount of taxes otherwise required to be levied, there is also appropriated from the general fund, on November 1 in each year, a sum of money sufficient in amount, when added to other funds appropriated for the bonds, to pay all bonds and interest on them due and to become due to and including July 1 in the second ensuing year.

Subd. 2. None of the appropriations made in this section shall lapse until the purpose for which it is made has been accomplished or abandoned. The amount of each loan approved for disbursement shall be and remain appropriated for that purpose until the loan is fully disbursed or part or all of it is revoked by the energy division.

Subd. 3. [ADMINISTRATION COSTS.] The sum of \$259,300 in fiscal year 1984 and \$320,000 in fiscal year 1985 is appropriated from the general fund to the commissioner to administer section 1. The complement of the department is increased by 11 positions. If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

Subd. 4. [AUDIT EXPENSES.] The sum of \$200,000 in fiscal year 1984 and \$300,000 in fiscal year 1985 is appropriated to the commissioner of energy, planning and development for the purpose of providing cost-share audit revision services for

previously audited buildings in an amount not to exceed \$2,000 per building and to provide cost-share audit services for non-audited buildings in an amount not to exceed \$5,000 per building to eligible institutions applying for loans authorized in section 1. The commissioner of energy, planning and development shall contract for provision of audit services, and determine the amount, if any, of audit revision and audit services for which the institution is eligible. Any unencumbered balance remaining in the first year shall not cancel but is available in the second year.

Sec. 6. [BOND SALE.]

To provide the money appropriated from the state building fund by section 5, subdivision 1, the commissioner of finance shall sell and issue bonds of the state in an amount up to \$30,000,000 in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, sections 16A.63 to 16A.66, and by the Minnesota Constitution, article XI, sections 4 to 7.

Sec. 7. [EFFECTIVE DATE.]

This act is effective the day following final enactment."

With the recommendation that when so amended the bill pass.

The report was adopted.

Rice from the Committee on Appropriations to which was referred:

H. F. No. 572, A bill for an act relating to economic development; creating the office of tourism; assigning powers and duties; appropriating money; proposing new law coded in Minnesota Statutes, chapter 4.

Reported the same back with the following amendments:

Page 1, delete lines 13 to 19

Renumber the remaining subdivision

Pages 5 and 6, delete section 9, and insert:

"Sec. 9. [APPROPRIATION.]

Subdivision 1. The sum of \$3,926,900 in fiscal year 1984 and \$4,600,000 in fiscal year 1985 is appropriated from the general fund to the director of the office of tourism for the purposes of advertising and promotion.

Subd. 2. Of the amount in subdivision 1, \$300,000 in fiscal year 1984 and \$300,000 in fiscal year 1985 shall be provided to the six Minnesota tourism regions, for the purpose of purchasing media space and time and marketing specific geographic areas within each region. None of these funds shall be used for any type of administrative, salary, or overhead costs of the region. Ten percent of the total regional funding shall be withheld pending final audit each year to assure adherence to the goals of the program.

Subd. 3. Of the amount in subdivision 1, \$400,000 in fiscal year 1984 and \$400,000 for fiscal year 1985 shall be provided for state involvement in projects sponsored by nonprofit organizations including, but not limited to, chambers of commerce, historical societies, arts organizations, centennial commissions, and resort associations. Applicants are required to submit detailed marketing plans to accomplish their goals and are required to have specific evaluation criteria as part of their overall programs.

Subd. 4. Of the amount in subdivision 1, \$1,742,000 in fiscal year 1984 and \$2,559,000 in fiscal year 1985 is for general advertising and publications.

Subd. 5. Of the amount in subdivision 1, \$326,800 in fiscal year 1984 and \$343,900 in fiscal year 1985 is for marketing operations. The complement of the office for marketing operations shall be 14 positions.

Subd. 6. Of the amount in subdivision 1, \$734,600 in fiscal year 1984 and \$666,000 in fiscal year 1985 is for tourism operations, including \$225,000 the first year and \$116,000 the second year for sales promotion. The complement of the office for tourism operations shall be nine positions.

Subd. 7. Of the amount in subdivision 1, \$165,500 in fiscal year 1984 and \$169,100 in fiscal year 1985 is for administration. The complement of the office for administration shall be two positions.

Subd. 8. The amount specified in subdivisions 2 and 3 shall be available only when matched on the basis of \$1 state to \$1 from other sources.

Subd. 9. Of the amount in subdivision 1, \$258,000 in fiscal year 1984 and \$162,000 in fiscal year 1985 is for a tourism recreation data system. The complement of the office for the project shall be five positions."

Renumber the remaining section

With the recommendation that when so amended the bill pass.

The report was adopted.

Rice from the Committee on Appropriations to which was referred:

H. F. No. 654, A bill for an act relating to outdoor recreation; requiring a user fee for cross country skiers; creating a cross country ski trail grant-in-aid program; imposing a penalty; appropriating money for recreational purposes; proposing new law coded in Minnesota Statutes, chapter 85.

Reported the same back with the following amendments:

Page 2, line 19, delete "65" and insert "64"

Page 5, line 2, delete "October 1 through September 30" and insert "July 1 through June 30"

Page 5, delete lines 31 to 35 and insert:

"There is appropriated to the department of natural resources from the general fund \$175,000 in fiscal year 1984 and \$175,000 in fiscal year 1985 to carry out the purposes of sections 1 to 6. The department shall publicize and promote the use of cross country skier licensing. The complement of the department is increased by one position."

Page 6, delete section 9

With the recommendation that when so amended the bill pass.

The report was adopted.

Rice from the Committee on Appropriations to which was referred:

S. F. No. 1233, A bill for an act relating to the organization and operation of state government; appropriating money for the department of transportation and for other agencies with certain conditions; fixing and limiting fees; providing for adjustments of responsibilities of the department of agriculture for soil and water conservation; allowing limited donation of accumulated vacation time by certain law enforcement employees to their union representative; providing for deposit of proceeds of assessment by the assigned risk review board; regulating financial assistance to public transit systems; limiting certain hearing functions of the transportation regulation board; transferring certain rules authority to the transportation regulation board; reducing membership and establishing terms of members of the public utilities commission; defining enforcement powers of the hazardous material specialists and transportation representatives of the department of transportation; defining terms and requirements for building movers; crediting certain receipts of the commissioner of transportation to the trunk highway fund;

providing for certain costs to be paid from the trunk highway fund; authorizing the commissioner of transportation to enforce certain carrier regulations; extending retirement coverage of certain employees of the department of transportation from age 60 to age 62 and providing for disability benefits; transferring and renaming the air transportation revolving account; instructing the commissioner of transportation to charge users of certain air transportation services for certain costs; limiting fare increases by the metropolitan transit commission; basing taxing for the metropolitan transit taxing district upon the level of transit service provided; providing for the disposition of proceeds of certain trunk highway bonds; reducing the amount appropriated from the bridge construction account in the trunk highway fund to the department of transportation; amending Minnesota Statutes 1982, sections 12.14; 17A.04, subdivision 5; 18.51, subdivision 2; 18.52, subdivision 5; 18.53; 18.54; 18A.22, subdivisions 5 and 7; 18A.26; 27.041, subdivision 2; 28A.08; 28A.09; 32.075; 32.59; 34.02; 34.05, subdivision 1; 40.03, subdivision 2, as amended; 43A.04, by adding a subdivision; 79.251, subdivision 1; 155A.07, subdivision 7; 155A.08, subdivision 5; 169.81, subdivision 3b; 169.86, subdivision 5; 169.862; 170.23; 171.26; 171.29, subdivision 2; 173.07, subdivision 2; 173.08, subdivision 1; 173.13, subdivision 4; 174.24, subdivision 3; 174A.02, subdivision 2; 174A.06; 216A.03, subdivision 1; 221.061; 221.071; 221.131; 221.221; 221.296, subdivision 5; 221.64; 221.81; 296.17, subdivisions 10, 17, and 20; 296.25, subdivision 1; 299C.46, subdivision 3; 352.86, subdivisions 1, 2, and by adding a subdivision; 360.018, subdivision 1; 360.63; 473.408, subdivision 3 and by adding a subdivision; 473.446, subdivision 1, as amended; 500.221, subdivision 4; 626.88, subdivision 2; Laws 1975, chapter 235, section 2; Laws 1977, chapter 277, sections 1 and 3, subdivision 1; and Laws 1983, chapter 17, section 12; proposing new law coded in Minnesota Statutes, chapters 10A; 221; 299C; and 360; repealing Minnesota Statutes 1982, sections 24.24; 24.25; 24.26; 24.27; 24.28; 24.29; 24.30; 24.31; 160.26, subdivision 3; 174.265; and 174A.07.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [TRANSPORTATION AND OTHER AGENCIES; APPROPRIATIONS.] The sums set forth in the columns designated "APPROPRIATIONS" are appropriated from the general fund, or any other fund designated, to the agencies and for the purposes specified in the following sections of this act, to be available for the fiscal years indicated for each purpose. The figures "1983", "1984", and "1985", wherever used in this act refer to fiscal years and mean that the appropriation or appropriations listed under that fiscal year are available for the year ending June 30, 1983, June 30, 1984, or June 30, 1985, respectively.

SUMMARY BY FUND

	1983	1984	1985	TOTAL
General	\$10,000	\$ 82,080,200	\$ 83,131,500	\$ 165,221,700
Special		335,500	373,400	708,900
Airports		9,346,200	10,053,000	19,399,200
M.S.A.S.		51,400,000	54,100,000	105,500,000
C.S.A.H.		154,900,000	163,400,000	318,300,000
Tr. Hwy.		598,301,400	593,714,700	1,192,016,100
Hwy. User ..		7,550,800	7,732,500	15,283,300
TOTAL	\$10,000	\$903,914,100	\$912,504,400	\$1,816,428,500

APPROPRIATIONS
Available for the Year
Ending June 30

	1984	1985
	\$	\$

Sec. 2. DEPARTMENT OF
TRANSPORTATION

Subdivision 1. Total Department
Appropriation 794,197,200 801,627,700

Approved Complement—4,438

Trunk Highway—4,363

General—41

State Airports—33

Federal—1

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

Of this appropriation, \$25,039,000 the first year and \$25,376,400 the second year is from the general fund; \$9,301,200 the first year and \$10,008,000 the second

	1984	1985
	\$	\$
year is from the state airports fund; \$51,400,000 the first year and \$54,100,000 the second year is from the municipal state-aid street fund; \$154,900,000 the first year and \$163,400,000 the second year is from the county state aid highway fund; \$553,557,000 the first year and \$548,743,300 the second year is from the trunk highway fund.		

Subd. 2. Highway Development	560,500,000	566,110,000
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Trunk Highways

	1984	1985
	\$336,500,000	\$328,000,000

This appropriation is for the actual construction, reconstruction, and improvement of trunk highways. This includes the cost of actual payment to land owners for lands acquired for highway right of way, payment to lessees, interest subsidies, and relocation expenses. These appropriations represent the current estimates of the total state highway development program and assume the following funding sources:

State Funds—Regular Revenue

	\$ 89,000,000	\$ 84,000,000
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Bond Proceeds

	\$ 35,000,000	\$ 40,000,000
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Federal Funds

	\$212,500,000	\$204,000,000
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The bond proceeds indicated above are the same resources authorized by Laws 1977, chapter 277, as amended and Laws 1983, chapter 17, as amended and not in addition thereto.

	1984	1985
	\$	\$

The commissioner of transportation, with the approval of the commissioner of finance may increase these appropriations in recognition of either increased state or federal funds availability, and is required to reduce these appropriations if there is evidence of reduced resource availability from either state or federal sources for the fiscal year. Any change in these appropriations and any change in the level of state resource commitment must be reported to the chairman of house appropriations and the chairman of senate finance.

County State Aids

\$154,900,000 \$163,400,000

This appropriation is from the county state-aid highway fund and is available until expended.

Municipal State Aids

\$ 51,400,000 \$ 54,100,000

This appropriation is from the municipal state-aid street fund and is available until expended.

If an appropriation for either county state aids or municipal state aids is insufficient to 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.

Highway Debt Service

\$ 17,700,000 \$ 20,610,000

	1984	1985
	\$	\$

For transfer to the state bond fund.

In the event that all or a portion of this appropriation is not needed to make all transfers required in the year for which it is made, the balance shall immediately cancel to the trunk highway 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 pursuant to the statutory open appropriation.

Subd. 3 Highway Operations	144,566,100	146,830,700
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The amounts that may be expended from this appropriation for each activity are as follows:

Maintenance

\$ 99,491,500	\$ 101,268,500
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Maintenance Preservation

\$ 7,878,200	\$ 8,269,800
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Construction Support

\$ 37,196,400	\$ 37,292,400
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The commissioner of transportation shall not transfer unallotted balances remaining from the appropriation provided for fuel among the appropriations from the trunk highway fund made in this section.

Subd. 4. Technical Services	29,453,300	29,204,500
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	1984	1985
	\$	\$

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

Engineering Services

\$ 18,710,700 \$ 18,410,700

This appropriation includes \$1,800,000 each year for the purpose of delivery of an expanded highway development program. If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

Engineering Development

\$ 7,066,300 \$ 7,100,900

State Aid Technical Assistance

\$ 659,100 \$ 662,300

The variance committee shall be continued at the fiscal year 1981 level.

Electronic Communications

\$ 1,807,700 \$ 1,817,200

Environmental Services

\$ 1,209,500 \$ 1,213,400

For the fiscal biennium ending June 30, 1985, the commissioner shall spend no money to acquire or condemn outdoor advertising devices as said devices are defined in Minnesota Statutes, chapter 173.

Subd. 5. Public Transportation Assistance	23,671,600	24,000,600
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The appropriations in this subdivision are from the general fund.

	1984	1985
	\$	\$

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

The amounts that may be expended from these appropriations for each activity are as follows:

(a) Rail Service Improvements

\$ 575,000 \$ 604,000

This appropriation is for the purpose of supporting AMTRAK operation of the Northstar line between Minneapolis-St. Paul and Duluth.

(b) Metro Mobility

\$ 5,044,000 \$ 5,044,000

The commissioner of transportation shall evaluate the financial benefits and service consequences of seeking competitive bids for the provision of services for metro mobility. If the commissioner concludes that competitive bidding may reduce the cost of providing service, he shall use competitive bidding where appropriate during the biennium ending June 30, 1985.

(c) Private Operators

\$ 1,015,100 \$ 1,015,100

(d) Non-MTC Assistance Statewide

\$ 5,484,200 \$ 5,484,200

(e) Metropolitan Transit Commission

\$ 11,553,300 \$ 11,853,300

\$6,565,800 the first year and \$6,865,800 the second year is for state operating assistance grants.

	1984	1985
	\$	\$

Of this appropriation, \$200,000 the second year is available to the metropolitan transit commission only upon certification to the commissioner of transportation that the additional allocation will be used for the purpose of reducing the overall peak or off-peak fare rates below the level existing on June 30, 1983. This restriction shall not prevent the metropolitan transit commission from certifying to the commissioner the necessity of this additional allocation in fiscal year 1985 due to reductions in the overall peak or off-peak fare rates occurring after June 30, 1983 and before July 1, 1984. In the event that less than \$200,000 is required, the commissioner shall transfer only the amount certified.

\$4,987,500 the first year and \$4,987,500 the second year is for social fare reimbursement grants.

For the fiscal biennium ending June 30, 1985, the metropolitan transit commission may continue the existing \$.15 surcharge on fares during the peak hours. The metropolitan transit commission shall not increase its base fare beyond the level existing on June 30, 1983.

Subd. 6. Program Management	5,656,800	5,693,900
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The amounts that may be expended from this appropriation for each activity are as follows:

Highway Programs

\$ 1,358,900	\$ 1,362,700
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Of this amount \$175,000 each year is available for grants to regional development commissions outside the seven-county metropolitan area for transportation studies to identify critical concerns, problems, and issues.

	1984	1985
	\$	\$

Motor Carrier Safety and Compliance

\$ 757,900 \$ 761,200

This appropriation is from the general fund.

Railroads and Waterways

\$ 770,800 \$ 774,300

\$223,600 the first year and \$224,400 the second year is from the general fund.

Transit Administration

\$ 545,300 \$ 546,900

\$346,300 the first year and \$346,900 the second year is from the general fund.

Transportation Information and Support

\$ 2,223,900 \$ 2,248,800

Subd. 7. General Support	21,110,500	19,840,500
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The amounts that may be expended from this appropriation for each activity are as follows:

Finance and Administration

\$ 8,310,200 \$ 8,394,600

General Services

\$ 3,635,900 \$ 3,939,000

\$36,100 the first year and \$37,900 the second year is from the general fund. \$56,200 the first year and \$58,600 the second year is from the state airports fund.

Equipment

\$ 8,273,400 \$ 6,566,700

	1984	1985
	\$	\$

\$3,500 the first year and \$5,400 the second year is from the general fund.

\$6,100 the first year and \$1,900 the second year is from the state airports fund.

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

Legal Services

\$	891,000	\$	940,200
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This appropriation is for the purchase of legal services from or through the attorney general.

Subd. 8. Aeronautics	9,238,900	9,947,500
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This appropriation is from the state airports fund.

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

Aeronautics Operations

\$	439,600	\$	447,300
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For the fiscal biennium ending June 30, 1985, the commissioner shall not require the registration of personal use airports except for those within five miles of a public airport, whether privately or publicly owned.

Aeronautics Development and Assistance

\$	8,799,300	\$	9,500,200
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\$5,358,000 the first year and \$6,003,700 the second year is for airport construction grants.

	1984	1985
	\$	\$

\$1,400,000 the first year and \$1,400,000 the second year is for airport maintenance grants.

\$1,017,400 the first year and \$1,104,500 the second year is for navigational aids.

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

These appropriations are to be expended in accordance with Minnesota Statutes, section 360.305, subdivision 4, clauses (1), (2), (4), and (5).

The commissioner of transportation may transfer unencumbered balances among these appropriations with the approval of the governor after consultation with the legislative advisory commission.

\$17,700 the first year and \$8,300 the second year is for maintenance of the Pine Creek Airport.

Subd. 9. Transfers

The commissioner of transportation with the approval of the commissioner of finance may transfer unencumbered balances among the appropriations from the trunk highway fund made in this section. No transfer shall be made from the appropriation for trunk highway development. No transfer shall be made from the appropriations for debt service to any other appropriation.

Transfers shall be reported forthwith to the committee on finance of the senate and the committee on appropriations of the house of representatives.

	1984	1985
	\$	\$

Subd. 10. Contingent Appropriations

(a) 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 for highway operations in order to meet an emergency or to deal with other unforeseen events. The amount transferred is appropriated for the purpose of the account to which it is transferred.

(b) 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 state airports fund for airport operations in order to meet an emergency or to deal with other unforeseen events. The amount transferred is appropriated for the purpose of the account to which it is transferred.

Sec. 3. DEPARTMENT OF PUBLIC SAFETY

Subdivision 1. General Operations and Management	68,417,000	68,920,800
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Approved Complement

1,631.9	1,630.8
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General

385	385
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Special Revenue

0.5	0.5
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Trunk Highway

1,039.3	1,039.3
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	1984	1985
	\$	\$
Highway User		
174.6	174.6	
Federal		
32.5	31.4	

The above approved complement includes 511 for state funded unclassified patrol officers and supervisors of the highway 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 shall be reduced accordingly.

No new highway patrol supervisory positions shall be established, with the exception of special duty assigned ranks for the length of assignment only.

The commissioner of public safety, in cooperation with the departments of revenue and transportation, shall submit a report to the legislature outlining the costs and benefits of establishing ports of entry on Minnesota trunk highways. The study shall include, but is not necessarily limited to, an evaluation of the financial requirements for establishing ports of entry, the feasibility of ports of entry, the optimum location of such ports of entry, and the impact such ports of entry might have on the revenues collected for road and street purposes in Minnesota. The report shall be submitted to the chairman of the house appropriations committee and the chairman of the senate finance committee by January 15, 1984.

Of this appropriation, \$17,377,500 the first year and \$17,472,600 the second year is from the general fund; \$45,000

	1984	1985
	\$	\$

the first year and \$45,000 the second year is from the state airports fund; \$43,693,700 for the first year and \$43,920,700 for the second year is from the trunk highway fund; and \$7,300,800 for the first year and \$7,482,500 for the second year is from the highway user tax distribution fund.

The amounts that may be expended from this appropriation for each program are as follows:

Subd. 2. Administration and Related Services

\$ 2,738,500 \$ 2,788,100

\$2,601,900 the first year and \$2,644,700 the second year is from the trunk highway fund. \$136,600 the first year and \$143,400 the second year is from the highway user tax distribution fund.

Subd. 3. Emergency Services

\$ 878,800 \$ 784,900

Subd. 4. Criminal Apprehension

\$ 10,111,200 \$ 9,986,000

The department may use this appropriation for the purpose of matching private donations for conducting research on driver impairment.

Of this appropriation, \$1,072,300 the first year and \$746,600 the second year is from the trunk highway fund for blood alcohol analysis.

\$60,200 the first year and \$61,000 the second year is for the bureau of criminal apprehension to continue to provide in-service training for peace officers on a regional basis.

1984

1985

\$

\$

\$38,000 the first year and \$38,000 the second year is for reimbursing political subdivisions for training peace officers and firefighters in the conduct of arson investigations.

\$171,000 each year is 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.

\$216,900 the first year and \$277,700 the second year is 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.

Any unliquidated balance of data processing money remaining in the first year does not cancel but is available for the second year of the biennium.

Subd. 5. Fire Safety

\$ 1,474,500 \$ 1,484,300

\$11,700 the first year and \$12,200 the second year is for reimbursing political subdivisions who enter into agreements to perform uniform fire code inspections.

Subd. 6. State Patrol

\$ 29,688,800 \$ 30,064,800

Except for \$330,600 the first year and \$345,800 the second year from the general fund for executive protection, this appropriation is from the trunk highway fund.

	1984	1985
	\$	\$

The commissioner may assign up to 11 pilots to the air patrolling of highways.

This appropriation provides sufficient money to operate the mobile truck weighing program on a 12-month basis.

No more than five positions in the state patrol support activity shall be filled by state troopers.

The commissioner may not require the use of gasohol in the operation of state patrol vehicles.

Subd. 7. Capitol Security

\$	730,500	\$	726,100
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Subd. 8. Driver and Vehicle Licensing

\$	21,389,300	\$	21,645,700
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Of this appropriation, \$10,522,400 the first year and \$10,670,100 the second year is from the trunk highway fund, and \$7,164,200 the first year and \$7,339,100 the second year is from the highway user tax distribution fund.

This appropriation includes \$500,000 the first year and \$500,000 the second year from the general fund for alcohol assessment reimbursements to counties.

Any unliquidated balance of data processing money remaining in the first year does not cancel but is available for the second year of the biennium.

Subd. 9. Liquor Licensing

\$	510,000	\$	513,600
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Subd. 10. Ancillary Services

\$	895,400	\$	927,300
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	1984	1985
	\$	\$

\$45,000 the first year and \$45,000 the second year is from the state airports fund for the civil air patrol.

\$138,900 the first year and \$140,300 the second year is from the trunk highway fund for traffic safety and research.

\$57,500 the first year and \$58,900 the second year is from the general fund for the expenses of the Private Detective and Protective Agency Licensing Board.

\$654,000 the first year and \$683,100 the second year is for the crime victims reparations board. Any unencumbered balance remaining the first year does not cancel but is available for the second year of the biennium.

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 above programs within fund boundaries. Transfers shall be reported forthwith to the committee on finance of the senate and the committee on appropriations of the house of representatives.

Subd. 12. Reimbursements

The sums of \$385,400 for the first year and \$391,700 for the second year are appropriated from the general fund, and the sums of \$333,200 for the first year and \$336,100 for the second year are appropriated from the highway user fund for transfer by the commissioner of finance to the trunk highway fund on January 1, 1984 and January 1, 1985 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 administration and related services program.

	1984	1985
	\$	\$

\$384,400 the first year and \$411,300 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, 1984, and January 1, 1985, 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 highway user fund purposes in the criminal justice data network.

Sec. 4. DEPARTMENT OF AGRICULTURE

General Operations and Management	13,423,100	13,897,200
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Approved Complement—453.8

General—222.3

Special/Revolving—216.5

Federal—15

Of this appropriation \$13,272,900 the first year and \$13,718,500 the second year is from the general fund; and \$150,200 the first year and \$178,700 the second year is from the special revenue fund.

The amounts that may be expended from this appropriation for each program are as follows:

Agricultural Protection Service

\$ 3,441,200	\$ 3,461,300
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There is appropriated to the Department of Agriculture \$10,000 for fiscal year 1983 for the purpose of implementing a gypsy moth control program. These funds are available until expended.

Agricultural Promotion Service

\$ 4,434,100	\$ 4,794,500
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1984

1985

\$

\$

\$150,200 the first year and \$178,700 the second year is from the commodities research and promotion account in the special revenue fund.

\$2,908,700 the first year and \$3,227,100 the second year is 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.

\$600,000 the first year and \$600,000 the second year is for the agriculture development grant program to be expended in accordance with Minnesota Statutes, section 17.101.

For the fiscal biennium ending June 30, 1985, the commissioner of agriculture may provide funds for the purpose of assisting in the implementation of research and promotional orders pursuant to Minnesota Statutes, sections 17.51 to 17.69 from the appropriation provided for agriculture development grants. These funds shall be provided in accordance with Minnesota Statutes, section 17.101.

Administration and Financial Aids Service

\$ 2,512,400 \$ 2,553,200

The appropriation for Administration and Financial Aids Services includes the following amounts for grants to agricultural societies and associations.

(a) For aid to the Northeastern Minnesota Junior Livestock Show Association

\$ 1,200 \$ 1,200

(b) For aid to Minnesota Livestock Breeders Association

\$ 14,200 \$ 14,200

	1984	1985
\$		\$

This amount must be disbursed under Minnesota Statutes, section 17.07.

(c) For aid to Northern Sheep Growers Associations

\$	1,000	\$	1,000
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This amount must be disbursed under Minnesota Statutes, section 17.07.

(d) For aid to Southern Sheep Growers Associations

\$	400	\$	400
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This amount must be disbursed under Minnesota Statutes, section 17.07.

(e) For Red River Valley Livestock Associations

\$	6,000	\$	6,000
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This amount must be disbursed under Minnesota Statutes, sections 17.07 and 38.02.

(f) For the Red River Valley Dairy-men's Association, Inc., for the purpose of promoting better dairying.

\$	1,200	\$	1,200
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This amount must be disbursed under Minnesota Statutes, section 17.07.

(g) Aid to county and district agricultural societies

\$	260,200	\$	257,600
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Of this amount, \$2,600 in fiscal year 1984 is for reimbursing Morrison County for costs incurred in fiscal year 1982; \$3,800 each year is for livestock premiums to county fair associations for carrying on boys and girls club work;

	1984	1985
\$		\$

\$900 each year is available for agricultural aid to the Red Lake Band of Chippewa Indians, to be expended as may be directed by the Indian council for the purpose of encouraging activities and arts that will advance the economic and social interests of their people and particularly to promote a program of agricultural development that will utilize to the greatest possible extent the lands and forests owned by them.

This appropriation may be used to help maintain an agricultural extension service, to promote 4-H club work, or for premiums for the competitive display of exhibits at any fair or exposition that may be arranged under the direction of the council.

This amount must be disbursed under Minnesota Statutes, section 38.02.

(h) For aid in payment of premiums at exhibitions of poultry for the poultry associations

\$	2,800	\$	2,800
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Of this amount, \$900 must be allotted each fiscal year to aid the Minnesota state poultry association in the payment of premiums and other necessary expenses, exclusive of salaries or wages of any kind, at its annual exhibition.

(i) For payment of claims relating to livestock damaged by endangered animal species

\$	8,800	\$	9,200
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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 shall be reported without delay to the committee on finance of the

1984

1985

\$

\$

senate and the committee on appropriations of the house of representatives.

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

The Department of Agriculture shall submit a report to the chairman of the house appropriations committee and the chairman of the senate finance committee by January 15, 1984 outlining the costs and benefits of continuing the building lease beyond October 30, 1984.

Soil and Water Conservation Board

\$ 3,035,400 \$ 3,088,200

\$513,700 the first year and \$559,700 the second year is for general purpose grants in aid to soil and water conservation districts.

\$198,500 the first year and \$198,500 the second year is for grants to watershed districts and other local units of government in the southern Minnesota river basin study area 2 for flood plain management.

\$1,541,400 the first year and \$1,541,400 the second year is for grants to soil and water conservation districts for cost sharing contracts for erosion control and water quality management.

\$158,700 the first year and \$158,700 the second year is 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 may 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.

	1984	1985
	\$	\$

\$12,400 the first year and \$12,400 the second year is for grants to soil and water conservation districts for review and comment on water permits.

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 shall be reported forthwith to the committee on finance of the senate and the committee on appropriations of the house of representatives.

Notwithstanding Laws of Minnesota 1981, chapter 356, section 23, for the fiscal biennium ending June 30, 1985, and effective June 30, 1983 the Department of Agriculture, in cooperation with the Department of Finance, shall determine the amount of working capital required for the continued operation of the grain inspection program. The Department of Agriculture shall transfer to the general fund the amount in excess of the required working capital not to exceed \$1,000,000. In the event that the amount transferred is less than \$1,000,000, the department shall transfer the remainder by June 30, 1984.

Sec. 5. BOARD OF ANIMAL HEALTH

General Operations and Management	1,384,300	1,363,200
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Approved Complement—40

This appropriation includes \$165,500 the first year and \$157,700 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 shall not be paid.

For the fiscal biennium ending June 30, 1985, the board of animal health may

	1984	1985
	\$	\$

request additional funding from the legislative advisory commission for the purpose of implementing the provisions of a bill known as H.F. 512, tentatively coded as Minnesota Statutes, section 35.255.

Sec. 6. DEPARTMENT OF COMMERCE

General Operations and Management	7,566,800	7,644,900
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Approved Complement—221

General—218

Special—3

Of this appropriation, \$7,381,500 the first year and \$7,450,900 the second year is from the general fund; and \$185,300 the first year and \$194,000 the second year is from the special revenue fund.

The amounts that may be expended from this appropriation for each program are as follows:

Supervision of State-chartered Financial Institutions

\$ 2,599,100	\$ 2,612,000
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For the fiscal biennium ending June 30, 1985, the commissioner of banks shall cooperate with the state treasurer in the conduct of audits relating to unclaimed property.

Investment Protection

\$ 1,134,500	\$ 1,149,900
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\$185,300 the first year and \$194,000 the second year is from the real estate education, research and recovery account in the special revenue fund for the purpose of Minnesota Statutes, section 82.-

	1984	1985
	\$	\$

34, subdivision 6. If the appropriation for the special revenue fund for either year is insufficient, the appropriation for the other year is available for it.

Consumer Services

\$ 1,072,400 \$ 1,088,100

Regulation of Insurance Companies

\$ 2,058,500 \$ 2,078,200

This appropriation includes \$35,300 the first year and \$38,800 the second year for costs associated with the assigned risk plan review board.

For the fiscal biennium ending June 30, 1985, the commissioner of insurance shall cooperate with the state treasurer to improve procedures for notifying beneficiaries of the death of life insurance policyholders.

General Support

\$ 702,300 \$ 716,700

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 shall be reported without delay to the committee on finance of the senate and the committee on appropriations of the house of representatives.

Sec. 7. NON-HEALTH-RELATED BOARDS

Subdivision 1. Total for this section	2,693,400	2,702,100
Subd. 2. Board of Abstractors	3,900	3,900
Subd. 3. Board of Accountancy	245,400	232,200

	1984	1985
	\$	\$
Approved Complement—4		
<p>If the department of administration has not approved purchase of a micro-computer and related software by June 1, 1983, the board of accountancy, notwithstanding any other law to the contrary, may purchase a microcomputer and related software.</p>		
Subd. 4. Board of Architecture, Engineering and Land Surveying	263,800	269,700
Approved Complement—5		
Subd. 5. Board of Barber Examiners	107,600	109,100
Approved Complement—3		
Subd. 6. Board of Boxing	26,000	26,600
Approved Complement—1		
Subd. 7. Board of Electricity	686,700	696,500
Approved Complement—18		
Subd. 8. Board of Peace Officer Standards and Training		
General Operations and Management	1,360,000	1,364,100
Approved Complement—9		
<p>\$1,000,000 the first year and \$1,000,000 the second year is for peace officers training under Minnesota Statutes, section 626.86.</p>		
Sec. 8. PUBLIC UTILITIES COMMISSION	1,317,600	1,330,600
Approved Complement—31		
Sec. 9. DEPARTMENT OF PUBLIC SERVICE		
General Operations and Management	3,306,900	3,354,700

	1984	1985
	\$	\$
Approved Complement—86		

The amounts that may be expended from this appropriation for each program are as follows:

Utility Regulation

\$ 1,275,600 \$ 1,298,700

Weights and Measures

\$ 1,590,200 \$ 1,608,700

Administrative Services

\$ 441,100 \$ 447,300

The public service department with the approval of the commissioner of finance may transfer unencumbered balances not specified for a particular purpose among the above programs. Transfers shall be reported forthwith to the committee on finance of the senate and the committee on appropriations in the house of representatives.

Sec. 10. ETHICAL PRACTICES BOARD	173,800	175,300
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Approved Complement—5

Sec. 11 MINNESOTA MUNICIPAL BOARD	194,300	205,700
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Approved Complement—4

Sec. 12 MINNESOTA-WISCONSIN BOUNDARY AREA COMMISSION	65,900	67,800
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Sec. 13. UNIFORM LAWS COMMISSION	12,900	12,800
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Sec. 14. VOYAGEURS NATIONAL PARK CITIZENS COMMITTEE	57,300	58,100
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	1984	1985
	\$	\$

Notwithstanding Minnesota Statutes, section 15.059, subdivision 5, or any other law to the contrary, the existence of the citizen's committee on Voyageurs National Park shall terminate on June 30, 1987.

Sec. 15. SOUTHERN MINNESOTA RIVERS BASIN BOARD	52,900	53,400
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Sec. 16. MINNESOTA HISTORICAL SOCIETY	7,296,200	7,315,300
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The amounts that may be expended from this appropriation for each program are as follows:

(a) Minnesota Historical Society Operations

\$ 6,888,800	\$ 6,947,100
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This appropriation includes money for a seven-day-a-week tour program in the capitol and historical buildings. For the fiscal biennium ending June 30, 1985, the historical building shall remain open for public use on Saturdays and, if necessary, adjustments in the remainder of the weekday schedule may be effected by the Minnesota historical society.

Any unencumbered balance remaining at the end of the first year shall be returned to the state treasury and credited to the general fund.

The appropriation in this subdivision includes no money for compensation increases. The Minnesota historical society will draw on the salary supplement appropriation for that purpose. Employees of the Minnesota historical society will be paid in accordance with the appropriate pay plan.

(b) Historic Grant-In-Aid

\$ 211,200	\$ 211,200
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1984

1985

\$

\$

For historic site grants to encourage local historic preservation projects.

To be eligible for a grant for the fiscal biennium ending June 30, 1985, a county or local project group must provide a 50 percent match, in accordance with the historical society's guidelines.

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

(c) Fiscal Agent

\$ 196,200 \$ 157,000

\$51,100 the first year and \$51,900 the second year is for the Sibley House Association.

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 may 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 laws to the contrary, the Sibley House association may purchase fire, wind, hail, and vandalism insurance, and insurance coverage for fine art objects from this appropriation.

\$55,000 the first year and \$55,000 the second year is for the Government Learning Center.

\$32,100 the first year and \$32,100 the second year is for the Minnesota Humanities Commission.

	1984	1985
	\$	\$

\$18,000 the first year and \$18,000 the second year is for the Minnesota International Center.

\$40,000 in the first year is for the purpose of maintaining Minnesota military history museums at Fort Snelling and Camp Ripley. Any unexpended funds shall not cancel and shall be available in the second year.

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

Sec. 17. BOARD OF THE ARTS	1,999,900	2,050,100
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Approved Complement—8

Federal—3

The amounts that may be expended from this appropriation for each program are as follows:

(a) Administrative Services

\$ 234,000	\$ 235,900
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Any unencumbered balance remaining the first year does not cancel but is available for the second year of the biennium.

(b) Subsidies and Grants

\$ 1,765,900	\$ 1,814,200
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Any unencumbered balance remaining the first year does not cancel but is available for the second year of the biennium.

\$75,000 the first year and \$75,000 the second year is for individual artist grants.

	1984	1985
	\$	\$

\$50,000 the first year and \$50,000 the second year is for arts in education.

\$688,800 the first year and \$737,100 the second year is for the support of regional arts councils throughout the state.

Sec. 18. MINNESOTA HUMANE SOCIETY	47,100	
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No state money shall be expended for the care, feeding, housing, or disposal of animals.

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

Sec. 19. MINNESOTA HORTICULTURAL SOCIETY	67,900	67,900
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Sec. 20. MINNESOTA ACADEMY OF SCIENCE	20,400	20,500
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Sec. 21. SCIENCE MUSEUM OF MINNESOTA	273,400	290,500
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Sec. 22. MINNESOTA SAFETY COUNCIL	50,700	50,700
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This appropriation is from the trunk highway fund.

Sec. 23. DISABLED AMERICAN VETERANS	20,100	20,100
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This appropriation is for salaries, supplies, and expenses to be expended as provided by Laws 1941, chapter 425.

Sec. 24. VETERANS OF FOREIGN WARS	25,000	25,000
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This appropriation is for carrying out the provisions of Laws 1945, chapter 455.

	1984	1985
	\$	\$
Sec. 25. CONTINGENT ACCOUNTS	650,000	650,000
(a) Trunk Highway Fund		
\$ 400,000	\$ 400,000	
(b) Highway User Tax Distribution Fund		
\$ 250,000	\$ 250,000	

The appropriations in this section shall be expended with the approval of the governor after consultation with the legislative advisory commission under 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.

Sec. 26. TORT CLAIMS	600,000	600,000
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This appropriation is to the commissioner of finance, and 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. 27. Minnesota Statutes 1982, section 12.14, is amended to read:

12.14 [ASSESSMENT FOR NUCLEAR SAFETY PREPAREDNESS ACT.]

(ANY) A 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 of \$250,000 per plant to cover the initial cost of upgrading nuclear power plant emergency response plans and other programs necessary to deal with incidents resulting from the operation of nuclear fission electrical generating plants. This assessment (SHALL) *must* be paid to the state for deposit in the general fund within 90 days of April 25, 1980. Thereafter, an assessment of (\$75,000) \$100,000 per plant (SHALL) *must* be paid annually

on July 1 of each year, beginning with July 1, (1981) 1983, to cover ongoing costs related to the emergency response plan.

Sec. 28. Minnesota Statutes 1982, section 15.059, subdivision 5, is amended to read:

Subd. 5. [EXPIRATION DATE.] Unless an earlier date is specified by law, the existence of each advisory council and committee governed by this section shall terminate on June 30, 1983 *with the exception of the citizen's committee on Voyageurs National Park established under Minnesota Statutes, section 84B.11, whose existence shall terminate on June 30, 1987.*

Sec. 29. Minnesota Statutes 1982, section 17.101, is amended to read:

17.101 [PROMOTIONAL ACTIVITIES.]

Subdivision 1. [DEPARTMENTAL DUTIES.] For the purposes of expanding, improving, and developing the markets for products of Minnesota Agriculture, the commissioner of agriculture shall encourage and promote the marketing of these products by means of (PROMOTIONAL ACTIVITIES SUCH AS ADVERTISING AND OTHER APPROPRIATE ACTIVITIES):

- (a) *advertising Minnesota agricultural products;*
- (b) *assisting state agricultural commodity organizations;*
- (c) *developing methods to increase processing and marketing of agricultural commodities including commodities not being produced in Minnesota on a commercial scale, but which may have economic potential in national and international markets;*
- (d) *investigating and identifying new marketing technology and methods to enhance the competitive position of Minnesota agricultural products;*
- (e) *evaluating livestock marketing opportunities;*
- (f) *assessing and developing national and international markets for Minnesota agricultural products;*
- (g) *studying the conversion of raw agricultural products to manufactured products including ethanol;*
- (h) *hosting the visits of foreign trade teams to Minnesota and defraying the teams' expenses;*
- (i) *assisting Minnesota agricultural businesses desiring to sell their products in national and international markets; and*

(j) *other activities the commissioner deems appropriate to promote Minnesota agricultural products in national and international markets.*

Subd. 2. [AGRICULTURAL DEVELOPMENT GRANTS.] *In order to carry out the duties in subdivision 1, the commissioner, in addition to whatever other resources the department may commit, shall make grants and enter into contracts to fulfill the obligations of subdivision 1. The commissioner may contract with, among others, agricultural commodity organizations and agriculture related businesses to fulfill the duties. The commissioner shall make permanent or temporary rules for the administration of these grants and contracts. The rules shall specify at a minimum:*

- (a) *eligibility criteria;*
- (b) *application procedures;*
- (c) *provisions for application review and project approval;*
- (d) *provisions for program monitoring and review for all approved grants and contracts; and*
- (e) *other provisions the commissioner finds necessary.*

Contracts entered into by the commissioner pursuant to this subdivision shall not exceed 75 percent of the cost of the project supported by the commissioner's grant. In any biennium, no organization shall receive more than \$70,000 in grants from the commissioner.

Subd. 3. [AUDITS.] *The books, records, documents, and accounting procedures and practices of any organization receiving a grant from the commissioner under the provisions of subdivision 2 shall be subject to examination by the department. The commissioner may prescribe uniform methods of accounting to be used by grant recipients.*

Subd. 4. [ADVISORY GROUP.] *The commissioner may establish an ad hoc advisory group to assist him in evaluating grant requests made pursuant to subdivision 2.*

Sec. 30. [PURPOSE.]

It is the policy of the legislature that consumers should be able to purchase truthfully and adequately labeled seeds for planting. Sections 31 to 43 establish a uniform labeling system for agricultural, vegetable, flower, tree or shrub seeds whereby consumers can be protected from inadequately or illegally labeled seed and also whereby fair competition can be achieved.

Sec. 31. [21.80] [MINNESOTA SEED LAW.]

Sections 31 to 43 may be cited as the "Minnesota Seed Law."

Sec. 32. [21.81] [DEFINITIONS.]

Subdivision 1. [SCOPE.] The terms used in sections 31 to 43 have the meanings given them in this section.

Subd. 2. [ADVERTISEMENT.] "Advertisement" means any representation, other than on a label, disseminated in any manner or by any means, relating to seed within the scope of sections 31 to 43.

Subd. 3. [AGRICULTURAL SEEDS.] "Agricultural seeds" includes the seeds of grass, forage, cereal, oil, fiber crops, seeds of vegetables grown for processing, and any other kinds of seeds commonly recognized within this state as agricultural or field seeds, lawn seeds, or mixtures of those seeds, and may include noxious weed seed when the commissioner determines that the seed is being used as agricultural seed.

Subd. 4. [BLEND.] "Blend" means seed consisting of more than one variety of a kind, each in excess of five percent of the whole.

Subd. 5. [CERTIFIED SEED.] "Certified seed" means certified, registered, or foundation seed, or any other term conveying a similar meaning when referring to seed that has been produced, conditioned, and labeled in compliance with the rules of an officially recognized seed certification agency.

Subd. 6. [COMMISSIONER.] "Commissioner" means the commissioner of agriculture or his authorized agent and may include a county agricultural inspector.

Subd. 7. [CONDITIONING.] "Conditioning" means cleaning to remove chaff, sterile florets, immature seeds, weed seeds, inert matter, and other crop seeds, scarifying, combining to obtain uniform quality, or any other operation which would change the purity or germination of the seed and require retesting to determine the quality of the seed. Conditioning does not include such operations as packaging, labeling, combining uniform lots of the same kind or variety without cleaning or preparing a mixture without cleaning, if it would not require retesting to determine the quality of the seed.

Subd. 8. [FLOWER SEEDS.] "Flower seeds" includes seeds of herbaceous plants grown for their blooms, ornamental foliage, or other ornamental parts and commonly known and sold under the name of flower seeds in this state.

Subd. 9. [GENUINE GROWER'S DECLARATION.] A "genuine grower's declaration" is a statement signed by the grower which gives for a lot of agricultural seed, the lot number, kind, variety, origin, weight, year of production, date of shipment, and to whom it was sold, shipped, or delivered.

Subd. 10. [GERMINATION.] "Germination" means the percentage of seeds other than hard seeds which are capable of producing normal seedlings under favorable growing conditions. Broken, weak, diseased, malformed, or abnormal seedlings shall not be considered as having germinated.

Subd. 11. [HYBRID.] "Hybrid" when applied to kinds or varieties of seed means the first generation seed of a cross produced by controlling the pollination and by combining (a) two or more inbred lines; (b) one inbred or a single cross with an open pollinated variety; or (c) two selected clones, seed lines, varieties, or species. "Controlling the pollination" means to use a method of hybridization which will produce pure seed which is at least 75 percent hybrid seed. The second generation or subsequent generations from these crosses are not hybrids. Hybrid designations shall be treated as variety names.

Subd. 12. [INITIAL LABELER.] "Initial labeler" means a person who is the first to label for sale within this state an agricultural, vegetable, flower, tree, or shrub seed.

Subd. 13. [KIND.] "Kind" means one or more related species or subspecies which singly or collectively is known by one common name, such as wheat, oats, or sweet clover.

Subd. 14. [LABEL.] "Label" includes a tag or other device attached to or written, stamped, or printed on any container or accompanying any lot of bulk seeds purporting to set forth the kind of seeds contained, or any other information relating to the labeled seed and includes invoices under which any seed is imported into the state.

Subd. 15. [LOT.] "Lot" means a definite quantity of seed identified by a lot number or other mark, every portion or bag of which is uniform within recognized tolerances for the factors which appear in the labeling.

Subd. 16. [MIXTURE.] "Mixture" means seeds consisting of more than one kind, each in excess of five percent of the whole.

Subd. 17. [NOXIOUS WEED SEEDS.] "Noxious weed seeds" includes prohibited and restricted noxious weed seeds.

Subd. 18. [PERSON.] "Person" means an individual, partnership, corporation, company, society, association, or firm.

Subd. 19. [PROHIBITED NOXIOUS WEED SEEDS.] *"Prohibited noxious weed seeds" are those weed seeds which are prohibited from being present in any agricultural, vegetable, flower, tree or shrub seed. They are the seeds of weeds which are highly destructive and difficult to control by good cultural practices or by the use of herbicides. They not only reproduce by seed but also may spread by underground reproductive parts such as roots and rootstocks and aboveground reproductive parts such as runners and stolons.*

Subd. 20. [PURE LIVE SEED.] *"Pure live seed" means the product of the percent germination multiplied by the percent pure seed divided by 100 percent.*

Subd. 21. [PURE SEED.] *"Pure seed" means seed exclusive of inert matter and all other seeds not of the kind of seed being considered as defined by the rules for testing seeds of the association of official seed analysts.*

Subd. 22. [RECORD.] *"Record" includes all information relating to seed shipments and includes a file sample of each lot of seed. For tree and shrub seed, the record includes all documents regarding statement of origin and elevation where the seed originated.*

Subd. 23. [RESTRICTED NOXIOUS WEED SEEDS.] *"Restricted noxious weed seeds" are those weed seeds which, if present in agricultural, vegetable, flower, tree or shrub seed, shall be named on the label together with the number per pound of seed specified and which shall not exceed the legal limit. They are seeds of weeds which are objectionable in fields, lawns, and gardens of this state and can be controlled by good cultural practice and use of herbicides.*

Subd. 24. [SCREENINGS.] *"Screenings" means chaff, sterile florets, immature seed, weed seeds, inert matter, and other material removed from seed in any kind of conditioning and which contains less than 25 percent by weight of live agricultural or vegetable seed.*

Subd. 25. [SEIZURE.] *"Seizure" means a legal process carried out by a court order against a definite amount of seed.*

Subd. 26. [SELL.] *"Sell," when applying to agricultural, vegetable, flower, tree or shrub seed, and seed samples, includes:*

- (a) *selling or transferring ownership;*
- (b) *offering and exposing for sale, exchange, distribution, giving away, and transportation in or into this state;*
- (c) *having in possession with intent to sell, exchange, distribute, give away, or transport in or into this state;*

(d) storing, carrying, and handling in aid of traffic in seeds, whether done in person or through an agent, employee, or other person; and

(e) receiving, accepting, and holding on consignment for sale.

Subd. 27. [STOP SALE.] "Stop sale" means an administrative order restraining the sale, use, disposition, and movement of a definite amount of seed.

Subd. 28. [TREATED.] "Treated" means that the seed has received an application of a substance or that it has been subjected to a process for which a claim is made.

Subd. 29. [TREE AND SHRUB SEEDS.] "Tree and shrub seeds" includes seeds of woody plants commonly known and sold as tree and shrub seeds in this state.

Subd. 30. [TREE SEED COLLECTOR'S DECLARATION.] A "tree seed collector's declaration" is a statement signed by a grower or person having knowledge of the place of collection which gives for a lot of seed: the lot number, common or scientific name of the species, subspecies if appropriate, origin, elevation, and quantity of tree and shrub seed.

Subd. 31. [TYPE.] "Type" means a group of varieties so nearly similar that individual varieties cannot be clearly differentiated except under special conditions.

Subd. 32. [VEGETABLE SEEDS.] "Vegetable seeds" includes the seeds of those crops which are grown in gardens and on truck farms that are generally known and sold under the name of vegetable or herb seeds in this state.

Subd. 33. [VARIETY.] "Variety" means a subdivision of a kind characterized by growth, yield, plant, fruit, seed, or other characteristics by which it can be differentiated from other plants of the same kind.

Subd. 34. [WEED SEEDS.] "Weed seeds" includes the seeds of all plants generally recognized as weeds within this state, including noxious weed seeds.

Sec. 33. [21.82] [LABEL REQUIREMENTS; AGRICULTURAL, VEGETABLE, OR FLOWER SEEDS.]

Subdivision 1. [FORM.] Each container of agricultural vegetable, or flower seed which is offered for sale for sowing purposes shall bear or have attached in a conspicuous place a plainly written or printed label or tag in the English language giving the information required by this section. This statement

shall not be modified or denied in the labeling or on another label attached to the container.

Subd. 2. [CONTENT.] For agricultural, vegetable, or flower seeds, except as otherwise provided in subdivisions 4, 5, 6, 7 and 8, the label shall contain:

(a) The name of the kind or kind and variety for each agricultural or vegetable seed component in excess of five percent of the whole and the percentage by weight of each in order of its predominance. The commissioner shall by rule designate the kinds that are required to be labeled as to variety. If the variety of those kinds generally labeled as to variety is not stated and it is not required to be stated, the label shall show the name of the kind and the words: "Variety not stated."

(1) The percentage that is hybrid shall be at least 95 percent of the percentage of pure seed shown unless the percentage of pure seed which is hybrid seed is shown separately. If two or more kinds or varieties are present in excess of five percent and are named on the label, each that is hybrid shall be designated as hybrid on the label. Any one kind or kind and variety that has pure seed which is less than 95 percent but more than 75 percent hybrid seed as a result of incompletely controlled pollination in a cross shall be labeled to show the percentage of pure seed that is hybrid seed or a statement such as "contains from 75 percent to 95 percent hybrid seed." No one kind or variety of seed shall be labeled as hybrid if the pure seed contains less than 75 percent hybrid seed. The word hybrid shall be shown on the label in conjunction with the kind.

(2) Blends shall be listed on the label using the term "blend" in conjunction with the kind.

(3) Mixtures shall be listed on the label using the term "mixture," "mix," or "mixed."

(b) Lot number or other lot identification.

(c) Origin, if known, or that the origin is unknown.

(d) Percentage by weight of all weed seeds present in agricultural, vegetable, or flower seed. This percentage may not exceed one percent. If weed seeds are not present in vegetable or flower seeds, the heading "weed seeds" may be omitted from the label.

(e) Name and rate of occurrence per pound of each kind of restricted noxious weed seeds present. They shall be listed under the heading "noxious weed seeds." If noxious weed seeds are not present in vegetable or flower seeds, the heading "noxious weed seeds" may be omitted from the label.

(f) *Percentage by weight of agricultural, vegetable, or flower seeds other than those required to be named on the label. They shall be listed under the heading "other crop." If "other crop" seeds are not present in vegetable or flower seeds, the heading "other crop" may be omitted from the label.*

(g) *Percentage by weight of inert matter.*

(h) *Net weight of contents, to appear on either the container or the label, except that in the case of vegetable or flower seed containers with contents of 200 seeds or less, a statement indicating the number of seeds in the container may be listed along with or in lieu of the net weight of contents.*

(i) *For each named agricultural or vegetable seed:*

(1) *percentage of germination, exclusive of hard seed;*

(2) *percentage of hard seed, if present; and*

(3) *the calendar month and year the percentages were determined by test.*

(j) *Name and address of the person who labeled the seed or who sells the seed within this state, or a code number which has been registered with the commissioner.*

Subd. 3. [TREATED SEED.] For all named agricultural, vegetable, or flower seeds which are treated, for which a separate label may be used, the label shall contain:

(a) *a word or statement to indicate that the seed has been treated;*

(b) *the commonly accepted, coined, chemical, or abbreviated generic chemical name of the applied substance;*

(c) *the caution statement "Do not use for food, feed, or oil purposes" if the substance in the amount present with the seed is harmful to human or other vertebrate animals;*

(d) *in the case of mercurials or similarly toxic substances, a poison statement and symbol;*

(e) *a word or statement describing the process used when the treatment is not of pesticide origin; and*

(f) *the date beyond which the inoculant is considered ineffective if the seed is treated with an inoculant. It shall be listed on the label as "inoculant: expires (month and year)" or wording that conveys the same meaning.*

Subd. 4. [HYBRID SEED CORN.] For hybrid seed corn purposes a label shall contain:

(a) a statement indicating the number of seeds in the container may be listed along with or in lieu of the net weight of contents; and

(b) for each variety of hybrid seed field corn, the day classification as determined by the originator or owner. The day classification shall approximate the number of days of growing season necessary from emergence of the corn plant above ground to relative maturity and shall conform to the day classification established by the director of the Minnesota agricultural experiment station for the appropriate zone.

Subd. 5. [GRASS SEED.] For grass seed and mixtures of grass seeds intended for lawn and turf purposes, the requirements in clauses (a) to (c) must be met.

(a) The label shall contain the percentage by weight of inert matter, up to ten percent by weight except for those kinds specified by rule. The percentage by weight of foreign material not common to grass seed must be listed as a separate item in close association with the inert matter percentage.

(b) If the seed contains no "other crop" seed, the following statement may be used and may be flagged: "contains no other crop seed."

(c) When grass seeds are sold outside their original containers, the labeling requirements are met if the seed is weighed from a properly labeled container in the presence of the purchaser.

Subd. 6. [COATED AGRICULTURAL SEEDS.] For coated agricultural seeds the label shall contain:

(a) percentage by weight of pure seeds with coating material removed;

(b) percentage by weight of coating material shown as a separate item in close association with the percentage of inert matter; and

(c) percentage of germination determined on 400 pellets with or without seeds.

Subd. 7. [VEGETABLE SEEDS.] For vegetable seeds prepared for use in home gardens or household plantings the requirements in clauses (a) to (d) apply. The origin may be omitted from the label.

(a) *The label shall contain the following:*

(1) *the year for which the seed was packed for sale listed as "packed for (year)," or the percentage of germination and the calendar month and year that the percentages were determined by test; and*

(2) *for vegetable seeds which germinate less than the standard last established by the commissioner:*

(i) *percentage of germination, exclusive of hard seed;*

(ii) *percentage of hard seed, if present; and*

(iii) *the words "below standard" in not less than eight point type and the month and year the percentages were determined by test.*

(b) *The percentage by weight of pure seed may be omitted from a label if the total is more than 90 percent.*

(c) *The percentage by weight of inert matter may be omitted from a label if it is less than ten percent.*

(d) *The labeling requirements for vegetable seeds sold outside their original containers are met if the seed is weighed from a properly labeled container in the presence of the purchaser.*

Subd. 8. [FLOWER SEEDS.] (a) All flower seed labels shall contain:

(1) *the name of the kind and variety or a statement of type and performance characteristics as prescribed by rules;*

(2) *the year for which the seed was packed for sale listed as "packed for (year)," or the percentage of germination and the calendar month and year that the percentage was determined by test; and*

(3) *for flower seeds which germinate less than the standard last established by the commissioner:*

(i) *the percentage of germination exclusive of hard seed; and*

(ii) *the words "below standard" in not less than eight point type and the month and year this percentage was determined by test.*

(b) *The origin may be omitted from the label.*

(c) *The percentage by weight of pure seed may be omitted from a label if the total is more than 90 percent.*

(d) *The percentage by weight of inert matter may be omitted from a label if it is less than ten percent.*

Sec. 34. [21.83] [LABEL REQUIREMENTS; TREE OR SHRUB SEEDS.]

Subdivision 1. [FORM.] Each container of tree or shrub seed which is offered for sale for sowing purposes shall bear or have attached in a conspicuous place a plainly written or printed label or tag in the English language giving the information required by this section. This label statement shall not be modified or denied in the labeling or on another label attached to the container, except that labeling of seed supplied under a contractual agreement may be made by an invoice accompanying the shipment or by an analysis tag attached to the invoice if each bag or other container is clearly identified by a lot number stenciled on the container. Each bag or container that is not so stenciled must carry complete labeling.

Subd. 2. [LABEL CONTENT.] For all tree or shrub seed subject to this section the label shall contain:

(a) *the common name of the species, and the subspecies if appropriate;*

(b) *the scientific name of the genus and species, and the subspecies if appropriate;*

(c) *the lot number or other lot identification;*

(d) *for seed collected from a predominantly indigenous stand, the area of collection given by latitude and longitude, or geographic description, or political subdivision such as state or county;*

(e) *for seed collected from a predominantly nonindigenous stand, the identity of the area of collection and the origin of the stand or the words "origin not indigenous;"*

(f) *the elevation or the upper and lower limits of elevation within which the seed was collected;*

(g) *the percentage of pure seed by weight;*

(h) *for those kinds of seed for which standard testing procedures are prescribed:*

(1) *the percentage of germination exclusive of hard seed;*

(2) *the percentage of hard seed, if present; and*

(3) *the calendar month and year the percentages were determined by test; or*

(4) *in lieu of the requirements of clauses (1) to (3), the seed may be labeled "test is in progress, results will be supplied upon request;"*

(i) *for those species for which standard germination testing procedures have not been prescribed by the commissioner, the calendar year in which the seed was collected; and*

(j) *the name and address of the person who labeled the seed or who sells the seed within this state.*

Subd. 3. [TREATED SEED.] For all treated tree and shrub seeds for which a separate label may be used the label shall contain:

(a) *a word or statement to indicate that the seed has been treated;*

(b) *the commonly accepted, coined, chemical, or abbreviated generic chemical name of the applied substance;*

(c) *the caution statement "Do not use for food, feed, or oil purposes" if the substance in the amount present with the seed is harmful to human or other vertebrate animals;*

(d) *in the case of mercurials or similarly toxic substances, a poison statement and symbol;*

(e) *a word or statement describing the process used when the treatment is not of pesticide origin;*

(f) *if the seed has been treated with an inoculant, the date beyond which the inoculant is considered ineffective. It shall be listed on the label as "inoculant: expires (month and year)" or wording which conveys the same meaning.*

Sec. 35. [21.84] [RECORDS.]

Each person whose name appears on the label of agricultural, vegetable, flower, tree or shrub seeds subject to section 33 or 34 shall keep for three years complete records of each lot of agricultural, vegetable, flower, tree or shrub seed sold in this state and shall keep for one year a file sample of each lot of seed after disposition of the lot. In addition, the grower shall have as a part of the record a "genuine grower's declaration" or a "tree seed collector's declaration."

Sec. 36. [21.85] [DUTIES OF THE COMMISSIONER.]

Subdivision 1. [ENFORCEMENT.] The commissioner shall administer and enforce sections 31 to 43.

Subd. 2. [SEED LABORATORY.] The commissioner shall establish and maintain a seed laboratory for seed testing, employing necessary agents and assistants to administer and enforce sections 31 to 43, none of whom, except those who are employed on a regular full-time basis, shall come within or be governed by chapter 43A. The compensation for the unclassified employees shall be on the basis of a rating and salary scale determined by the commissioner's plan of the department of employee relations or the appropriate bargaining unit contract.

Subd. 3. [ENTRY UPON PREMISES.] For the purpose of administering and enforcing sections 31 to 43 the commissioner may enter upon any public or private premises during regular business hours in order to have access to seeds and the records concerning the seeds that are subject to sections 31 to 43, and to enter any truck or other conveyor by land, water, or air at any time when the conveyor is accessible, for the same purpose.

Subd. 4. [INSPECTION AND SAMPLING.] The commissioner shall sample, inspect, make analysis of and test seeds subject to sections 31 to 43 that are offered for sale for sowing purposes at the time and place and to the extent necessary to determine whether the seeds are in compliance with sections 31 to 43.

Subd. 5. [NOTICE OF VIOLATION.] The commissioner shall promptly notify the person who sold, labeled, or transported seed that has been:

- (1) found to be in violation of sections 31 to 43;*
- (2) placed under a stop sale order; or*
- (3) seized on complaint of the commissioner to a court of competent jurisdiction.*

Subd. 6. [STOP SALE ORDERS.] The commissioner may issue and enforce a written or printed "stop sale" order to the owner or custodian of any lot of seed which he finds to be in violation of sections 31 to 43. The order shall prohibit further sale, conditioning, and movement of the seed, except on approval of the enforcing officer, until the officer has evidence that the law has been complied with and has issued a release from the "stop sale" order. With respect to seed which has been denied sale, conditioning, or movement, the owner or custodian of the seed may appeal from the order to a court where the seeds are

found, for the discharge of the seeds from the order prohibiting the sale, conditioning, or movement in accordance with the findings of the court. This subdivision does not limit the right of the enforcement officer to proceed in a different fashion.

Subd. 7. [SEIZURE.] Any lot of seed not in compliance with sections 31 to 43 is subject to seizure on complaint of the commissioner to a court of competent jurisdiction in the locality where the seed is located. If the court finds the seed to be in violation and orders the condemnation of the seed, it shall be denatured, destroyed, relabeled, or otherwise disposed of in compliance with law. In no instance shall the court order dispose of the seed without first giving the claimant an opportunity to apply to the court for the release of the seed or permission to condition or relabel it into compliance.

Subd. 8. [INJUNCTION.] When the commissioner applies to any court for a temporary or permanent injunction restraining any person from violating or continuing to violate sections 31 to 43, the injunction shall be issued without requiring a bond.

Subd. 9. [PROSECUTIONS.] When the commissioner finds that a person has violated any part of sections 31 to 43, he may initiate court proceedings in the locality in which the violation occurred. No prosecution shall be instituted without a person having an opportunity to appear in person or by a representative before the commissioner to provide evidence. Either a county attorney or the attorney general may prosecute actions under sections 31 to 43.

Subd. 10. [COMMISSIONER MAY ALTER REQUIREMENTS IN EMERGENCIES.] In the event of acute shortages of any seed or seeds, or the occurrence of other conditions which in the opinion of the commissioner create an emergency which would make impractical the enforcement of any requirement of sections 31 to 43 relating to the percentage of purity and weed seed content of any seed or seeds, the commissioner may temporarily change and alter any requirement relating to percentage of purity and weed seed content for the duration of the emergency.

Subd. 11. [RULES.] The commissioner may make necessary rules, including temporary rules, for the proper enforcement of sections 31 to 43. Existing rules shall remain in effect unless temporary or permanent rules are made that supercede them.

Subd. 12. [SERVICE TESTING AND IDENTIFICATION.] The commissioner shall provide for purity and germination tests of seeds and identification of seeds and plants for farmers, dealers, and others. He may establish and collect fees for testing and identification.

Subd. 13. [SAMPLING EXPORT SEED.] The commissioner may sample agricultural, vegetable, flower, tree or shrub seeds which are destined for export to other countries. He may establish and collect suitable fees from the exporter for this service.

Subd. 14. [COOPERATION WITH UNITED STATES DEPARTMENT OF AGRICULTURE.] The commissioner shall cooperate with the United States department of agriculture in seed law enforcement.

Sec. 37. [21.86] [UNLAWFUL ACTS.]

Subdivision 1. [PROHIBITIONS.] A person may not advertise or sell any agricultural, vegetable, flower, or tree and shrub seed if:

(a) A test to determine the percentage of germination required by sections 33 and 34 has not been completed within a nine-month period, exclusive of the calendar month in which the test was completed. This prohibition does not apply to tree, shrub, agricultural, or vegetable seeds packaged in hermetically sealed containers. Seeds packaged in hermetically sealed containers under the conditions defined by rule may be offered for sale for a period of 36 months after the last day of the month that the seeds were tested for germination prior to packaging. If seeds in hermetically sealed containers are offered for sale more than 36 months after the last day of the month in which they were tested prior to packaging, they must be retested within a nine-month period, exclusive of the calendar month in which the retest was completed;

(b) It is not labeled in accordance with sections 33 and 34 or has false or misleading labeling;

(c) False or misleading advertisement has been used in respect to its sale;

(d) It contains prohibited noxious weed seeds;

(e) It consists of or contains restricted noxious weed seeds in excess of 25 seeds per pound or in excess of the number declared on the label attached to the container of the seed or associated with the seed;

(f) It contains more than one percent by weight of all weed seeds;

(g) It contains less than the stated net weight of contents;

(h) it contains less than the stated number of seeds in the container;

(i) *It contains any labeling, advertising, or other representation subject to sections 33 and 34 representing the seed to be certified unless:*

(1) *it has been determined by a seed certifying agency that the seed conformed to standards of purity and identity as to kind, species, subspecies, or variety, and also that tree seed was found to be of the origin and elevation claimed, in compliance with the rules pertaining to the seed; and*

(2) *the seed bears an official label issued for it by a seed certifying agency stating that the seed is of a certified class and a specified kind, species, subspecies, or variety;*

(j) *It is labeled with a variety name but not certified by an official seed certifying agency when it is a variety for which a United States certificate of plant variety protection has been granted under United States Code, title 7, sections 2481 to 2486, specifying sale by variety name only as a class of certified seed. Seed from a certified lot may be labeled as to variety name when used in a blend or mixture by or with approval of the owner of the variety; or*

(k) *The person whose name appears on the label does not have complete records including a file sample of each lot of agricultural, vegetable, flower, tree or shrub seed sold in this state as required in section 35.*

Subd. 2. [MISCELLANEOUS VIOLATIONS.] No person may:

(a) *detach, alter, deface, or destroy any label required in sections 33 and 34 or alter or substitute seed in a manner that may defeat the purposes of sections 33 and 34;*

(b) *hinder or obstruct in any way any authorized person in the performance of duties under sections 31 to 43;*

(c) *fail to comply with a "stop sale" order or to move or otherwise handle or dispose of any lot of seed held under a stop sale order or attached tags, except with express permission of the enforcing officer for the purpose specified;*

(d) *use the word "type" in any labeling in connection with the name of any agricultural seed variety;*

(e) *use the word "trace" as a substitute for any statement which is required; or*

(f) *plant any agricultural seed which the person knows contains weed seeds or noxious weed seeds in excess of the limits for that seed.*

Sec. 38. [21.87] [EXEMPTION.]

Sections 33 and 34 do not apply:

(a) *to seed or grain not intended for sowing purposes;*

(b) *to seed in storage in or being transported or consigned to a conditioning establishment for conditioning, provided that the invoice or label accompanying any shipment of the seeds bears the statement "seeds for conditioning," and provided that any labeling or other representation which may be made with respect to the unconditioned seed is subject to the provisions of sections 33 and 34; or*

(c) *to any carrier with respect to seed transported or delivered for transportation in the ordinary course of its business as a carrier, provided that the carrier is not engaged in producing, conditioning, or marketing seeds subject to sections 33 and 34.*

Sec. 39. [21.88] [PENALTIES.]

Subdivision 1. [MISDEMEANOR; GROSS MISDEMEANOR.] A violation of sections 31 to 43 or a rule adopted under section 36 is a misdemeanor. Each additional day of violation is a separate offense. A subsequent violation by a person is a gross misdemeanor.

Subd. 2. [UNLAWFUL PRACTICE.] In addition to other penalties provided by law, a person who violates a provision of sections 31 to 43 or a rule adopted under section 36 has committed an unlawful practice under sections 325F.68 and 325F.69 and is subject to the remedies provided in sections 8.31 and 325F.70.

Subd. 3. [PENALTIES NOT TO APPLY.] A person is not subject to the penalties in subdivision 1 or 2 for having sold seeds which were incorrectly labeled or represented as to kind, species, subspecies, if appropriate, variety, type, origin and year, elevation or place of collection if required, if the seeds cannot be identified by examination unless he has failed to obtain an invoice or genuine grower's or tree seed collector's declaration or other labeling information and to take other reasonable precautions to ensure the identity is as stated.

Sec. 40. [21.89] [SEED FEE PERMITS.]

Subdivision 1. [SEED FEE.] In order to pay for administering and enforcing sections 31 to 43, the commissioner shall establish the fees charged for various seeds and shall collect the fees on all seeds covered by sections 31 to 43.

Subd. 2. [PERMITS; ISSUANCE, REVOCATION.] *The commissioner shall issue a permit to the initial labeler of agricultural, vegetable, or flower seeds which are offered for sale in Minnesota and which conform to and are labeled under sections 31 to 43. The person shall furnish to the commissioner an itemized statement of all seeds sold in Minnesota for the periods established by the commissioner. This statement shall be delivered, along with the payment of the fee, to the commissioner no later than 30 days after the end of each reporting period. Any person holding a permit shall show as part of the analysis labels or invoices on all agricultural, vegetable, flower, tree or shrub seeds all information the commissioner requires. The commissioner may revoke any permit in the event of failure to comply with applicable laws and rules.*

Subd. 3. [PENALTY.] *A penalty fee established by the commissioner shall be assessed any permit holder who fails to submit a statement and pay the fee due within the 30 days following the end of each reporting period.*

Subd. 4. [EXEMPTIONS.] *A person who labels for sale agricultural, vegetable, or flower seeds must have a seed fee permit unless:*

(a) *The person labels and sells less than 50,000 pounds of agricultural seed in Minnesota each calendar year. If more than 50,000 pounds are labeled and sold in Minnesota by any person, the person must have a seed fee permit and pay fees on all seed sold. A person who labels and sells grass seeds and mixtures of grass seeds intended for lawn or turf purposes is not exempted from having a permit and paying seed fees on all seeds in this category sold in Minnesota; or*

(b) *The agricultural, vegetable, or flower seeds are of the breeder or foundation seed classes of varieties developed by publicly financed research agencies intended for the purpose of increasing the quantity of seed available.*

Sec. 41. [21.90] [HYBRID SEED FIELD CORN VARIETY REGISTRATION.]

Subdivision 1. [GROWING ZONES.] *The director of the agricultural experiment station at the University of Minnesota shall determine, establish, and number or otherwise identify corn growing zones of the state and determine and publish a list of day classifications for each zone which will approximate the number of days growing season necessary for corn from emergence of the corn plants above ground after planting to relative maturity.*

Subd. 2. [FEES.] *A record of each hybrid seed field corn variety to be sold in Minnesota shall be registered with the com-*

missioner by February 1 of each year by the originator or owner. The commissioner shall establish the annual fee for registration for each variety. The record shall include the permanent designation of the hybrid as well as the day classification and zone of adaptation, as determined under subdivision 1, which the originator or owner declares to be the zone in which the variety is adapted. In addition, at the time of the first registration of a hybrid seed field corn variety, the originator or owner shall include a sworn statement that his declaration of the zone of adaptation was based on actual field trials in that zone and that the field trials substantiate his declaration as to the day and zone classifications to which the variety is adapted. The name or number used to designate a hybrid seed field corn variety in the registration is the only name of all seed corn covered by or sold under that registration.

Subd. 3. [TESTS OF VARIETIES.] If the commissioner needs to verify that a hybrid seed field corn variety is adapted to the corn growing zone declared by the originator or owner, it must, when grown in several official comparative trials by the director of the Minnesota agricultural experiment station in the declared zone of adaptation, have an average kernel moisture at normal harvest time which does not differ from the average kernel moisture content of three or more selected standard varieties adapted for grain production in that particular growing zone by more than four percentage points. If a new variety when tested has more than six percentage points of moisture over the standard variety, it must have the relative maturity increased by five days in the correct zone of adaptation before it can be sold the second year. If it does not exceed the standard varieties by more than five percentage points of moisture the second year tested, it can be sold the third year with the same relative maturity. If upon being tested the third year the moisture percentage points are found to be over the four percentage points allowed, the variety then must have the relative maturity increased by five days in the correct zone. The varieties to be used as standard varieties for determining adaptability to a zone shall be selected for each zone by the director of the Minnesota agricultural experiment station with the advice and consent of the commissioner of agriculture. Should a person, firm, originator, or owner of a hybrid seed field corn variety wish to offer hybrid seed for sale or distribution in this state, the person, firm, originator, or owner not having distributed any products in Minnesota during the past ten years, or not having any record of testing by an agency acceptable to the commissioner, then after registration of the variety the commissioner is required to have the variety tested for one year by the director of the Minnesota agricultural experiment station before it may be distributed in Minnesota. Should any person, firm, originator, or owner of a seed field corn variety be guilty of two successive violations with respect to the declaration of relative maturity date and zone number, then the violator must commence a program of pretesting for varieties as determined by the commissioner. The list of varieties to be used as standards in each growing zone shall be

sent by the commissioner not later than February 1 of each year to each seed firm registering hybrid varieties with the commissioner as of the previous April 1. To assist in defraying the expenses of the Minnesota agricultural experiment station in carrying out the provisions of this section, there shall be transferred annually from the seed inspection fund to the agricultural experiment station a sum which shall at least equal 80 percent of the total revenue from all hybrid seed field corn variety registrations.

Sec. 42. [21.91] [SEED CERTIFICATION AGENCIES.]

Subdivision 1. [MINNESOTA.] *The official seed certification agency for Minnesota shall be determined by the commissioner of agriculture and the director of the Minnesota agricultural experiment station.*

Subd. 2. [OTHER JURISDICTIONS.] *The official seed certification agency for other jurisdictions shall be determined and the identity filed as a public record in the office of the commissioner of agriculture. The determination shall be made by the commissioner of agriculture and the director of the Minnesota agricultural experiment station.*

Sec. 43. [21.92] [SEED INSPECTION FUND.]

There is established in the state treasury an account known as the seed inspection fund. Fees and penalties collected by the commissioner under sections 31 to 43 shall be deposited into this account. The rates at which the fees are charged may be adjusted pursuant to section 16A.28. Money in this account, including interest earned and any appropriations made by the legislature for the purposes of sections 31 to 43, is annually appropriated to the commissioner for the administration and enforcement of sections 31 to 43.

Sec. 44. Minnesota Statutes 1982, section 40.03, subdivision 2, is amended to read:

Subd. 2. [EMPLOYEES.] The department of (NATURAL RESOURCES) agriculture shall provide administrative functions of this section. The commissioner of (NATURAL RESOURCES) agriculture shall make available (BY SEPARATE BUDGET) to the state soil and water conservation board (THE) staff (SERVICES), funds for operation (,) and office space necessary for the administration and coordination of its functions. The state board shall be responsible to the commissioner (FOR REPORTING PURPOSES IN REGARD TO STAFF FUNCTIONS AND OPERATIONS WHICH RELATE TO DEPARTMENT ACTIVITIES).

The commissioner of (NATURAL RESOURCES) agriculture shall (, SUBJECT TO APPROVAL OF THE STATE BOARD,)

provide an administrative officer and other necessary permanent and temporary technical experts, agents, and employees. (THE STATE BOARD SHALL DETERMINE THE PERSONNEL'S QUALIFICATIONS AND DUTIES, AND RECOMMEND COMPENSATION TO THE COMMISSIONER OF EMPLOYEE RELATIONS.) The state board may call upon the attorney general for necessary legal services. It (SHALL HAVE) *has* authority to delegate to its chairman or to one or more of its other officers or members or administrative officer any of its own powers and duties it may deem proper. (THE ADMINISTRATIVE OFFICER IS RESPONSIBLE TO THE STATE BOARD AND MAY BE DISMISSED BY THE COMMISSIONER OF NATURAL RESOURCES ONLY UPON THE ADVICE AND RECOMMENDATION OF THE STATE BOARD. ALL) Permanent personnel of the state board are employees of the department of (NATURAL RESOURCES) *agriculture* and are in the classified service of the state except as otherwise required by statute. In order to perform its duties, the state board may request information from the supervising officer of (ANY) *a* state agency or state institution of higher education, including the state universities, the community colleges, and the post-secondary vocational technical schools. (THE SUPERVISING OFFICER SHALL COMPLY WITH THE STATE BOARD'S REQUEST TO THE EXTENT POSSIBLE CONSIDERING AVAILABLE APPROPRIATIONS AND MAY ASSIGN AGENCY OR INSTITUTION EMPLOYEES TO COMPILE EXISTING INFORMATION AND TO COMPLETE SPECIAL REPORTS, SURVEYS, OR STUDIES CONCERNING THE PROBLEMS SPECIFIED IN SECTION 40.02.)

Sec. 45. Minnesota Statutes 1982, section 43A.04, is amended by adding a subdivision to read:

Subd. 8. [DONATION OF TIME BY STATE PATROL.] Notwithstanding any law to the contrary, the commissioner shall authorize the appointing authority to permit the donation of up to three hours of accumulated vacation time in each year by each employee who is a member of law enforcement unit number 1 to their union representative for the purpose of carrying out the duties of his or her office.

Sec. 46. Minnesota Statutes 1982, section 70A.06, is amended by adding a subdivision to read:

Subd. 5. (1) Rates and changes and amendments of rates for policies of insurance against damage by hail must be filed with the commissioner 60 days prior to their effective date.

(2) An insurer increasing the rate charged for a policy of insurance against damage by hail shall notify the insured 30 days prior to a rate change or 30 days prior to a renewal. In the event that the notice required by this subdivision is provided to the insured less than 30 days prior to the rate change or renewal date,

the insured has the option to continue coverage for 30 days from the date of notice of a rate increase at the rates then applicable.

Sec. 47. Minnesota Statutes 1982, section 79.251, subdivision 1, is amended to read:

Subdivision 1. [ASSIGNED RISK PLAN REVIEW BOARD.] ((1)) (a) An assigned risk plan review board is created for the purposes of review of the operation of sections 79.24 to 79.27. The board shall have all the usual powers and authorities necessary for the discharge of its duties under this section and may contract with individuals in discharge of those duties.

((2)) (b) The board shall consist of five members to be appointed by the commissioner of insurance. Two members shall be insureds holding policies issued (PURSUANT TO) *under* section 79.25. Two members (SHALL) *must* be members of the association. The commissioner (SHALL) *must* be the fifth member and shall vote.

Initial appointments (SHALL) *must* be made by September 1, 1981 and terms (SHALL BE) *are* for three years duration. Removal, the filling of vacancies, and compensation of the members other than the commissioner (SHALL) *must* be as provided in section 15.059.

((3)) (c) The assigned risk review board shall audit the reserves established by insurers ((A)) (1) for individual cases arising under policies issued under section 79.25, and ((B)) (2) for the total book of business issued under section 79.25.

((4)) (d) The assigned risk review board shall monitor the operations of sections 79.24 to 79.27 and shall periodically make recommendations to the commissioner, and to the governor and legislature when appropriate, for improvement in the operation of those sections.

((5) ALL) (e) Members of the association issuing policies under section 79.25 shall pay (AND) *to* the commissioner (SHALL RECEIVE AND DISBURSE, ON BEHALF OF THE BOARD,) a .25 percent assessment on premiums for policies issued under section 79.25 for the purpose of defraying the costs of the assigned risk review board. *Proceeds of the assessment must be deposited in the state treasury and credited to the general fund.*

Sec. 48. Minnesota Statutes 1982, section 162.09, subdivision 4, is amended to read:

Subd. 4. [FEDERAL CENSUS TO BE CONCLUSIVE.] (a) In determining whether any city has a population of 5,000

or more, the last federal census shall be conclusive, *except that effective January 1, 1984, the 1970 federal census or the last federal census taken in the city, whichever results in higher population for an individual city, shall be conclusive.*

(b) A city that has previously been classified as having a population of 5,000 or more for the purposes of chapter 162 and whose population decreases by less than 15 percent from the census figure that last qualified the city for inclusion shall receive the following percentages of its 1981 apportionment for the years indicated: 1982, 66 percent and 1983, 33 percent. Thereafter the city shall not receive any apportionment from the municipal state-aid street fund unless its population is determined to be 5,000 or over by a federal census. The governing body of the city may contract with the United States bureau of the census to take one special census before January 1, 1986. A certified copy of the results of the census shall be filed with the appropriate state authorities by the city. The result of the census shall be the population of the city for the purposes of any law providing that population is a required qualification for distribution of highway aids under chapter 162. The special census shall remain in effect until the 1990 federal census is completed and filed. The expense of taking the special census shall be paid by the city.

(c) If an entire area not heretofore incorporated as a city is incorporated as such during the interval between federal censuses, its population shall be determined by its incorporation census. The incorporation census shall be determinative of the population of the city only until the next federal census.

Sec. 49. Minnesota Statutes 1982, section 168.12, subdivision 1, is amended to read:

Subdivision 1. [NUMBER PLATES; VISIBILITY, PERIODS OF ISSUANCE.] The registrar, upon the approval and payment, shall issue to the applicant the number plates required by law, bearing an abbreviation of the state name and the number assigned. The number assigned may be a combination of a letter or sign with figures. The color of the plates and the color of the abbreviation of the state name and the number assigned shall be in marked contrast. The plates shall be lettered, spaced, or distinguished to suitably indicate the registration of the vehicle according to the rules of the registrar, and when a vehicle is registered on the basis of total gross weight, the plates issued shall clearly indicate by letters or other suitable insignia the maximum gross weight for which the tax has been paid. These number plates shall be so treated as to be at least 100 times brighter than the conventional painted number plates. When properly mounted on an unlighted vehicle, these number plates, when viewed from a vehicle equipped with standard headlights, shall be visible for a distance of not less than 1,500 feet and readable for a distance of not less than 110 feet. The registrar shall issue these number plates for the following periods:

(1) Number plates issued pursuant to sections 168.27, subdivisions 16 and 17, and 168.053 shall be for a one year period;

(2) New number plates issued pursuant to section 168.012, subdivision 1, shall be issued to a vehicle for as long as it is owned by the exempt agency and shall not be transferable from one vehicle to another but may be transferred with the vehicle from one tax exempt agency to another; *and*

(3) (PLATES ISSUED FOR PASSENGER AUTOMOBILES AS DEFINED IN SECTION 168.011, SUBDIVISION 7, SHALL BE ISSUED FOR THE LIFE OF THE VEHICLE; AND)

(4) Plates for any vehicle not specified in clauses (1) (,) or (2) (AND (3), EXCEPT FOR TRAILERS AS HERE-AFTER PROVIDED), shall be issued for (THE LIFE OF THE VEHICLE) *a six-year period. (BEGINNING WITH NUMBER PLATES ISSUED FOR THE YEAR 1981.)* Plates issued for trailers with a total gross weight of 3,000 pounds or less (SHALL BE ISSUED FOR THE LIFE OF THE TRAILER AND) shall be not more than seven inches in length and four inches in width. *License plates issued before November 15, 1983 for a vehicle not specified in clauses (1) and (2) must be replaced when the vehicle is registered for the seventh year after the issuance of those plates.*

In any year in which plates are not issued, the registrar shall issue for each registration a tab or sticker to designate the year of registration. This tab or sticker shall show the calendar year or years for which issued, and is valid only for that period. Unless the motor vehicle for which a number plate, number, tab, or sticker is issued, is permanently lost, is destroyed, or is removed from the state, no number plate, number, tab, or sticker may be transferred to another motor vehicle during the period for which it is issued.

Notwithstanding any other provision of this subdivision, number plates issued to a vehicle which is used for behind-the-wheel instruction in a driver education course in a public school may be transferred to another vehicle used for the same purpose without payment of any additional fee. The registrar shall be notified of each transfer of number plates under this paragraph, and may prescribe a form for notification.

Sec. 50. Minnesota Statutes 1982, section 168.12, subdivision 5, is amended to read:

Subd. 5. [ADDITIONAL FEE.] In addition to any fee otherwise authorized or any tax otherwise imposed upon any motor vehicle, the payment of which is required as a condition to the issuance of any number license plate or plates, the commissioner of public safety may impose a fee *for the issuance of each*

plate or plates of up to (25 CENTS BUT NOT TO EXCEED THE ACTUAL COST OF MANUFACTURE AND DISTRIBUTION OF ANY) \$2 for a license plate for a motorcycle, motor scooter, motorized bicycle, motorcycle sidcar, trailer, vehicle displaying a dealer plate, and \$3 for license plates for any other vehicle. Graphic design license (PLATE OR) plates (UPON THE ISSUANCE OF SAID PLATE OR PLATES, PROVIDED THAT THESE PLATES) shall only be issued for vehicles registered pursuant to section 168.017 and recreational vehicles registered pursuant to section 168.013, subdivision 1g.

Sec. 51. Minnesota Statutes 1982, section 171.29, is amended to read:

[171.29] [REVOKED LICENSES; EXAMINATION FOR NEW LICENSES.]

Subdivision 1. [SUCCESS ON EXAMINATION REQUIRED.] No person whose drivers license has been revoked by reason of conviction, plea of guilty, or forfeiture of bail not vacated, under section 171.17 or 65B.67, or revoked under section 169.123 shall be issued another license unless and until (HE SHALL HAVE) *that person has successfully passed an examination as required for an initial license.*

Subd. 2. [FEE ALLOCATED.] (ANY) A person whose drivers license has been revoked as provided in subdivision 1 shall pay a (\$30) *\$50 fee before (HIS) the person's drivers license is reinstated, of which \$30 must be deposited in accordance with section 171.26 and \$20 must be paid into the state treasury and credited to the general fund.*

Sec. 52. Minnesota Statutes 1982, section 174.24, subdivision 3, is amended to read:

Subd. 3. [FINANCIAL ASSISTANCE.] Payment of financial assistance (SHALL) *must be by contract between the commissioner and an eligible recipient. The commissioner shall determine the total operating cost of (ANY) a public transit system receiving or applying for assistance in accordance with generally accepted accounting principles. To be eligible for financial assistance, an applicant or recipient shall provide to the commissioner all financial records and other information and shall permit any inspection reasonably necessary to determine total operating cost and correspondingly the amount of assistance which may be paid to the applicant or recipient. (WHERE) When more than one county or municipality contributes assistance to the operation of a public transit system, the commissioner shall identify one as lead agency for the purpose of receiving (MONEYS) funds under this section.*

The commissioner shall adopt rules establishing uniform performance standards for private operators of regular route tran-

sit systems in the transit taxing district, as defined in section 473.446, subdivision 2. The rules are subject to the provisions in the administrative procedure act of sections 14.01 to 14.70. Payments to those private operators (SHALL) *must* be based on the uniform performance standards and operating deficit and (SHALL) *must* not exceed 100 percent of the operating deficit as determined by the commissioner. Payments (SHALL) *must* be based on approved estimates of expenditures during the contract period and (SHALL BE) *are* subject to audit and adjustment after any payment has been made.

Prior to distributing operating assistance to eligible recipients for any contract period, the commissioner shall place all recipients into one of the following classifications: large urbanized area service, urbanized area service, small urban area service, rural area service, and elderly and handicapped service. The commissioner shall distribute funds under this section so that the percentage of total operating cost paid by (ANY) a recipient from local sources will not exceed the percentage for that recipient's classification *except as provided in an undue hardship case*. The percentages (SHALL) *must* be: for large urbanized area service, 55 percent; for urbanized area service and small urban area service, 40 percent; for rural area service, 35 percent; and for elderly and handicapped service, 35 percent. The remainder of the total operating cost will be paid from state funds less any assistance received by the recipient from any federal source. For purposes of this subdivision "local sources" means (ALL) local sources of funds and includes (ALL) operating revenue, tax levies, and contributions from public funds, except that the commissioner may exclude from the total assistance contract revenues derived from operations the cost of which is excluded from the computation of total operating cost.

If a recipient informs the commissioner in writing after the establishment of these percentages but prior to the distribution of financial assistance for any year that paying its designated percentage of total operating cost from local sources will cause undue hardship, the commissioner may reduce the percentage to be paid from local sources by the recipient and increase the percentage to be paid from local sources (FOR ALL) *by one or more other recipients (IN ITS) inside or outside the classification (SO THAT THE TOTAL STATE FUNDS TO BE RECEIVED BY ALL THE RECIPIENTS IN THE CLASSIFICATION WILL NOT BE ALTERED)*, *provided that no recipient shall have its percentage thus reduced or increased for more than two years successively*. If for any year the funds appropriated to the commissioner to carry out the purposes of this section are insufficient to allow the commissioner to pay the state share of total operating cost as provided in this paragraph, the commissioner shall reduce the state share in each classification to the extent necessary.

Sec. 53. Minnesota Statutes 1982, section 299C.46, subdivision 3, is amended to read:

Subd. 3. The datacommunications network (SHALL) *must* be used exclusively for criminal justice agencies of the state in connection with enforcement of the criminal or traffic laws of the state.

The commissioner of public safety (, AFTER CONSULTATION WITH REPRESENTATIVES OF PARTICIPATING CRIMINAL JUSTICE AGENCIES, MAY) *shall* establish a monthly (OPERATIONAL) *network access* charge to be paid by each participating criminal justice agency (IN THE EVENT THAT MONEY AVAILABLE TO THE COMMISSIONER FOR THIS PURPOSE IS NOT ADEQUATE TO PAY THESE COSTS). *The network access charge must be a standard fee established for each terminal, computer, or other equipment directly addressable by the criminal justice data-communications network, as follows: January 1, 1984 to December 31, 1984, \$40 connect fee per month; January 1, 1985 and thereafter, \$50 connect fee per month.*

The commissioner of public safety is authorized to arrange for the connection of the data-communications network with the criminal justice information system of the federal government, any adjacent state, or Canada.

Sec. 54. Minnesota Statutes 1982, section 343.01, subdivision 3, is amended to read:

Subd. 3. The society (SHALL) *must* be governed by a board of directors consisting of seven persons appointed by the governor. The governor, the commissioner of education, and the attorney general, or their designees shall serve as ex-officio, non-voting members of the board. The membership terms, compensation, removal, and filling of vacancies of board members other than ex-officio members shall be as provided in section 15.0575; provided that the terms of two initial members shall expire in each of 1979, 1980, and 1981, and the term of the seventh initial member shall expire in 1982. The members of the board shall annually elect a chairman and other officers as deemed necessary. Meetings (SHALL) *must* be called by the chairman or at least two other members. *The governor shall appoint an executive director who shall serve in the unclassified civil service at the governor's pleasure for a term coterminous with that of the governor. The (BOARD) executive director may employ other staff who shall serve in the unclassified civil service (AT THE PLEASURE OF THE BOARD). The commissioner of administration upon request of the (BOARD) executive director shall supply the board with necessary office space and administrative services, and the board shall reimburse the commissioner for the cost (THEREOF).*

Sec. 55. Minnesota Statutes 1982, section 473.405, is amended by adding a subdivision to read:

Subd. 2a. [LIMITATION ON CONTRACTING POWER.] Notwithstanding subdivision 2 to the contrary, effective January 1, 1985 the commission may not enter into management contracts with any person, firm, or corporation for the management of the Metropolitan Transit Commission's system.

Sec. 56. Minnesota Statutes 1982, section 626.88, subdivision 3, is amended to read:

Subd. 3. [EXCEPTION.] Security guards employed by the capitol complex security division of the department of public safety are not required to comply with subdivision 2 until April 1, (1983) 1985, at which time they shall be subject to the same uniform color restrictions as other security guards.

Sec. 57. [TEMPORARY LEGISLATIVE STUDY COMMISSION ON METROPOLITAN TRANSIT.]

Subdivision 1. [CREATION; MEMBERSHIP.] A temporary legislative study commission on metropolitan transit is created consisting of five members of the house of representatives and five members of the senate, named by the customary appointing authority in each house. Members must be compensated in the same manner and amount as for other legislative service.

Subd. 2. [ORGANIZATION; STAFF.] The commission shall choose a chairperson and other officers as necessary. Staff and administrative support for the commission must be provided by existing legislative service offices.

Subd. 3. [STUDY.] The commission shall evaluate:

(a) the objectives of the Metropolitan Transit Commission established for the seven-county metropolitan area, and its effectiveness in achieving the purposes established by the legislature;

(b) the powers, responsibilities, and external accountability of the transit commission;

(c) the internal structure of the transit commission, including the contractual relationship with the management company;

(d) the efficiency of current labor practices and contracts relative to use of labor required for peak hours;

(e) governmental arrangements for transit planning and development in the metropolitan area, including the relationship with the department of transportation, the metropolitan council, and the transportation advisory board;

(f) *the proper role of the transit commission in the governance, regulation, and coordination of transit and other public transportation services in the metropolitan area;*

(g) *the financing of public transit in the metropolitan area, including fare structures and sources and amounts of subsidy.*

Subd. 4. [REPORT.] The commission shall submit a report of its findings and recommendations to the legislature by February 1, 1984.

Subd. 5. [REPEALER.] This section is repealed on February 2, 1984.

Sec. 58. Laws 1977, chapter 277, section 1, is amended to read:

Section 1. [TRANSPORTATION; HIGHWAY AND BRIDGE BONDS.] The commissioner of finance is authorized and directed, upon request of the commissioner of transportation, to issue and sell Minnesota trunk highway bonds under the provisions of Minnesota Statutes, Sections 167.50 to 167.52 and of the Minnesota Constitution, Article XI, Sections 4 to 7, and Article XIV, Section 11, at (SUCH) times and in (SUCH) amounts as may be requested by the commissioner of transportation. Bonds issued (PURSUANT TO) *under* this section are authorized in an aggregate principal amount of \$50,000,000. The proceeds of (SUCH) *these* bonds (SHALL) *must* be deposited in a separate (BRIDGE CONSTRUCTION) *capital improvement* account in the trunk highway fund.

Sec. 59. Laws 1977, chapter 277, section 3, subdivision 1, is amended to read:

Sec. 3. [APPROPRIATION.] Subdivision 1. The sum of \$50,000,000, or (SO) *as much* (THEREOF) *of this sum* as is determined to be needed, is appropriated from the separate (BRIDGE CONSTRUCTION) *capital improvement* account in the trunk highway fund created (PURSUANT TO) *under* section 1, to the department of transportation for the (DESIGN,) construction and reconstruction of (KEY BRIDGES AND BRIDGE APPROACHES) *capital improvements* on the trunk highway system including interstate routes. (ANY MONEY APPROPRIATED UNDER THIS SUBDIVISION SHALL BE EXPENDED IN ACCORDANCE WITH THE REQUIREMENTS FOR EXPENDITURE OF MONEY FROM THE MINNESOTA STATE TRANSPORTATION FUND FOR TRUNK HIGHWAY BRIDGES AS THOSE REQUIREMENTS ARE PROVIDED IN MINNESOTA STATUTES, SECTION 174.50 AND IN RULES PROMULGATED PURSUANT TO THAT SECTION.)

Sec. 60. Laws 1983, chapter 17, section 12, is amended to read:

Sec. 12. [(TRUNK) HIGHWAY CONSTRUCTION BONDS.]
Subdivision 1. The commissioner of finance is authorized and directed, on request of the commissioner of transportation, to issue and sell Minnesota trunk highway bonds under the provisions of Minnesota Statutes, sections 167.50 to 167.52 and of the Minnesota Constitution, article XI, sections 4 to 6, and article XIV, section 11, at the time and in the amounts requested by the commissioner of transportation. Bonds issued under this section are authorized in an aggregate principal amount of \$56,000,000. *The proceeds of these bonds must be deposited in a separate capital improvement account in the trunk highway fund.*

Subd. 2. *The sum of \$56,000,000, or as much of this sum as is determined to be needed, is appropriated from the separate capital improvement account in the trunk highway fund created under subdivision 1, to the department of transportation for construction and reconstruction of capital improvements on the trunk highway system including interstate routes.*

Sec. 61. [REPEALER.]

Minnesota Statutes 1982, sections 21.47; 21.48; 21.49; 21.50; 21.502; 21.503; 21.51; 21.52; 21.53; 21.54; 21.55; 21.56; 21.57; 21.58; 326.54; 326.541; 326.542; 326.543; 326.544; 326.545; 326.546; and 326.547 are repealed.

Sec. 62. [EFFECTIVE DATE.]

Section 29 is effective the day following final enactment. Section 45 is effective January 1, 1984. Sections 49 and 50 are effective November 15, 1983, for license plates issued on and after that date. Sections 30 to 44 are effective July 1, 1983."

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 for other agencies with certain conditions; fixing and limiting fees; extending the life of the citizen's committee on Voyageurs National Park; providing for the promotion of Minnesota agricultural products; regulating commerce in seeds; establishing a seed laboratory for the regulatory and service testing of seeds; transferring certain responsibilities for soil and water conservation from the department of natural resources to the department of agriculture; allowing limited donation of accumulated vacation time by certain law enforcement employees to their union representative; providing for notice of rate changes in insurance against hail damage; providing for deposit of proceeds of assessment by the assigned risk review board; determining when federal census is conclusive for cities; regulating financial assistance to public transit systems; establishing the position of executive director of the Minnesota humane society; limiting the ability of the metropolitan transit

commission to contract with others for management of transit services; delaying uniform color restrictions for employees of the capitol complex security division; establishing a temporary legislative study commission on metropolitan transit; providing for a capital improvement account in the trunk highway fund as the deposit account for proceeds from certain trunk highway bonds to be further transferred to the department of transportation for certain purposes; imposing penalties; amending Minnesota Statutes 1982, sections 12.14; 15.059, subdivision 5; 17.101; 40.03, subdivision 2; 43A.04, by adding a subdivision; 70A.06, by adding a subdivision; 79.251, subdivision 1; 162.09, subdivision 4; 168.12, subdivisions 1 and 5; 171.29; 174.24, subdivision 3; 299C.46, subdivision 3; 343.01, subdivision 3; 473.405, by adding a subdivision; 626.88, subdivision 3; Laws 1977, chapter 277, section 1; Laws 1977, chapter 277, section 3, subdivision 1; Laws 1983, chapter 17, section 12; proposing new law coded in Minnesota Statutes, chapter 21; repealing Minnesota Statutes 1982, sections 21.47 to 21.58 and 325.54 to 326.547."

With the recommendation that when so amended the bill pass.

The report was adopted.

Rice from the Committee on Appropriations to which was referred:

H. F. No. 300, A bill for an act relating to energy; creating the Minnesota energy authority; establishing a program of loans and financial assistance for households and municipalities; authorizing the issuance of bonds; appropriating money; transferring powers; amending Minnesota Statutes 1982, sections 116C.03, subdivision 2; 116J.03, subdivision 1; 116J.09; 116J.10; 216B.16, by adding a subdivision; 462A.02, subdivision 10; 462A.05, by adding subdivisions; and 462A.21, by adding a subdivision; proposing new law coded in Minnesota Statutes, chapters 116H; and 462A.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [TRANSFER OF CERTAIN POWERS RELATING TO ENERGY FROM THE DEPARTMENT OF ENERGY, PLANNING AND DEVELOPMENT TO THE MINNESOTA DEPARTMENT OF ENERGY.]

Subdivision 1. [AUTHORIZATION.] The Minnesota department of energy is the successor to the department of energy, planning and development in the administration of certain laws related to energy. The department is a continuation of the former authority and not a new authority for the purpose of succession to the rights, powers, duties, and obligations of the department of energy, planning and development relating to

energy as they were constituted immediately prior to the effective date of this act.

Subd. 2. [EFFECT OF RULES TRANSFERRED.] All rules previously adopted under the authority of a power, duty, or responsibility transferred by this act to the department of energy remain in force until modified or repealed in accordance with law by the department of energy.

Subd. 3. [EFFECT OF PENDING PROCEEDINGS.] Any proceeding, court action, prosecution, or other business or matter pending on the effective date of this act and undertaken or commenced by the department of energy, planning and development under the authority of any power, duty, or responsibility transferred by this act to the department of energy may be conducted and completed by the department of energy in the same manner, under the same terms and conditions, and with the same effect as though no transfer were made.

Subd. 4. [TRANSFER OF CUSTODY OF DOCUMENTS.] Every individual responsible under law for administration of any function transferred by this act to the department of energy shall, upon request by the department of energy or by any of its designated employees, transfer custody of all books, maps, plans, papers, records, contracts, and other documents relating to the transferred function and necessary or convenient for the proper discharge of the agency's new duties. The transfer shall be made in accordance with the directions of the department of energy or its designated representative.

Subd. 5. [APPROPRIATIONS.] All unexpended and unencumbered funds appropriated to the department of energy, planning and development for the purpose of performing any of the functions, powers, or duties which are transferred by this act are transferred to the department receiving those functions, powers, or duties.

Subd. 6. [PERSONNEL.] The positions associated with the responsibilities being transferred are abolished in the department of energy, planning and development. The approved staff complement for that agency is decreased accordingly. The employees who filled the positions abolished in the department of energy, planning and development become employees of the agencies to which the duties are transferred. Personnel changes are effective on the date of transfer of responsibilities.

Subd. 7. [EFFECT OF TRANSFER.] Nothing in this act relating to transfer of employees from one state agency to another shall be construed to abrogate or modify rights now enjoyed by affected employees under collective bargaining agreements between the state and an exclusive representative of state employees.

Sec. 2. [116H.41] [CREATION OF DEPARTMENT.]

There is created in the executive branch the Minnesota department of energy. The department shall be under the supervision of a commissioner who shall organize the department. The commissioner shall be appointed by the governor under section 15.06. The commissioner may appoint a deputy commissioner and a personal secretary to serve at his pleasure. The commissioner and his deputy and his personal secretary shall serve in the unclassified service and shall be members of the Minnesota state retirement system. The department shall be responsible for the administration of the laws contained in chapter 116H and for the performance of other duties assigned to it.

Sec. 3. [116H.42] [ENERGY COORDINATION BOARD.]

Subdivision 1. [CREATION.] There is created an energy coordination board. The board shall be composed of the commissioner of the department of energy as chairperson and the heads of the following agencies:

(1) economic development function of the department of energy, planning and development or the successor agency which assumes those functions;

(2) housing finance agency;

(3) administration department;

(4) public service department;

(5) agriculture department;

(6) natural resources department;

(7) statewide planning function of the department of energy, planning and development or the successor agency which assumes those functions;

(8) public utilities commission;

(9) education department;

(10) economic security.

Subd. 2. [POWERS AND DUTIES.] The energy coordination board shall serve as the chief advisory board to the governor on coordinating energy activities within state government. It shall assist in the development of policies, plans, and

programs for improving the coordination, administration, and effectiveness of energy activities.

The energy coordination board shall oversee and direct the activities of the intervention office created in section 4.

Sec. 4. [116H.425] [INTERVENTION OFFICE.]

There is created under the energy coordination board created by section 3 an intervention office to carry out intervention activities before federal and other energy regulatory agencies outside of the state. The office shall be staffed as the need arises by appropriate employees of the departments and agencies represented on the energy coordination board. Policies and functions of the intervention office shall be carried out under the direction of the commissioner of energy.

Sec. 5. [DEFINITIONS.]

Subdivision 1. For purposes of sections 2 to 16 the terms defined in this section have the meanings ascribed to them unless the context in which they are used clearly indicates otherwise.

Subd. 2. "Board" means the Minnesota energy coordination board established in section 3.

Subd. 3. "Commissioner" means the commissioner of the department of energy.

Subd. 4. "Department" means the department of energy established by this act.

Subd. 5. "Authority" means the Minnesota energy authority created in section 7.

Subd. 6. "Person" includes an individual, firm, partnership, corporation, or association.

Subd. 7. "Conservation" means a product or system designed to reduce the amount of energy needed for an energy-consuming activity or process. Conservation includes but is not limited to thermal insulation and air infiltration control in buildings, products or methods that reduce energy consumption for transportation or soil tillage practices, improvements in combustion efficiency or heat transfer efficiency in boilers, furnaces or direct-fired process heaters, and changes to industrial production equipment that result in lower energy use per unit of output.

Subd. 8. "Municipality" means a city, town, county, school district, special taxing district, or a municipal power agency

governed by chapter 453, or a group or combination of those units operating under an agreement to jointly undertake projects authorized by this act.

Subd. 9. "Alternative energy source" means a source of energy available from indigenous Minnesota resources including but not limited to peat, biomass, solar energy, wind, municipal wastes, agricultural or forestry wastes, hydro-power, and agricultural crops suitable for conversion to an energy fuel.

Subd. 10. "Renewable energy source" means a source of energy occurring in Minnesota which, when consumed for energy purposes, is replaced within a matter of days, months, or years by new or additional supplies of the energy source. Renewable energy sources include, but are not limited to, forestry products and forest harvest residues, solar energy, wind energy, water-power, and agricultural wastes.

Subd. 11. "Energy recovery" means the extraction of energy from materials, components or processes which would normally represent wasted energy resources. Municipal solid wastes, volatile sewer gases, and power plant waste heat, among others, offer the potential for energy recovery.

Sec. 6. [116H.76] [ENERGY AUTHORITY.]

Subdivision 1. [CREATION.] There is created as an independent agency in the executive branch a duly constituted authority of the state called the Minnesota energy authority which shall perform the functions and duties authorized in sections 8 to 12. Principal responsibilities of the authority shall include evaluation of energy related projects proposed by persons and municipalities of the state and assistance to proposers for accomplishing those projects deemed technically worthy and fiscally sound.

Subd. 2. [MEMBERSHIP.] The authority shall be composed of the commissioner of energy, the commissioner of finance, the director of the housing finance agency, and 12 public members appointed by the governor with advice and consent of the senate. At least four of the public members shall be experienced in the extension of credit to borrowers or possess other financial expertise useful to programs operated by the authority. Other members shall have demonstrated interest and expertise in energy conservation or resource development and may be selected from groups representing small business, labor, education, farming or agribusiness, and residential renters. The governor shall designate a chairperson of the authority from among its members.

Membership terms, compensation, and removal of members and filling of vacancies shall be as provided in section 15.0575.

Subd. 3. [CONFLICT OF INTEREST.] No member or employee of the authority shall participate in any manner in any decision or action of the authority where he has a direct or indirect conflict. Each member of the authority shall file a statement of economic interest with the board of ethical practices as provided in section 10A.09.

Subd. 4. [STAFFING.] The commissioner of energy shall appoint an executive director and shall hire other employees as needed to carry out the duties of the authority. The executive director shall be in the unclassified service. The authority may contract, through the commissioner, with the housing finance agency or other public or private providers of finance expertise for professional services that relate to financial management. Authority for interagency service contracts for financial management expertise shall expire June 30, 1985.

Subd. 5. The management and control of the authority shall be vested solely in the members in accordance with provisions of this act.

Subd. 6. All powers and duties of the authority shall be vested in the members in office from time to time and a majority of the members of the authority constitutes a quorum for the purpose of conducting its business and exercising its powers and for all other purposes, notwithstanding the existence of any vacancies. Action may be taken by the authority upon a vote of a majority of the members present.

Subd. 7. The members and officers of the authority shall not be liable personally, either jointly or severally, for any debt or obligation created or incurred by the authority.

Sec. 7. [SPECIFIC POWERS AND DUTIES OF THE AUTHORITY.]

Subdivision 1. The authority shall perform, direct, or closely oversee the functions and programs delegated to it by sections 6 to 11. In order to accomplish these activities the authority may request that staff be loaned by existing state agencies, or contract for services from public or private sources.

The powers and authorities granted to the authority shall be broadly interpreted to facilitate innovative leadership in all areas of energy including policy setting, goal definition, strategic planning, conservation, development of renewable and alternative energy sources, energy recovery, and monitoring.

Subd. 2. The authority shall assume an active role in a campaign for energy efficiency. The authority shall actively promote public awareness of the potentials and benefits of energy efficiency.

Subd. 3. *The authority shall perform market analysis studies relating to conservation, alternative and renewable energy sources, and energy recovery.*

Subd. 4. *The authority shall assure that programs under its control and direction make accommodation wherever possible for job creation and the needs of low income families and persons.*

Subd. 5. *The authority shall be responsible for establishing energy efficiency goals for the state. These goals shall include all sectors of the state's economy including public, residential, business, and transportation. The authority shall monitor progress toward accomplishing energy efficiency goals set for the state.*

Subd. 6. *The authority shall maintain oversight of energy legislation and programs authorized by the legislature. The authority shall annually, not later than February 1, report to the governor and the legislature on the effectiveness and efficiency of these programs.*

Subd. 7. *The authority shall operate a program of loan guarantees for commercial projects as specified in section 9.*

Subd. 8. *The authority shall operate a revenue bonding program for commercial projects as specified in section 10.*

Subd. 9. *The authority shall issue revenue bonds in its own name for purposes of the program authorized in subdivision 8 and section 9.*

Subd. 10. *The authority shall operate a program of loans to municipalities for capital expenses relating to energy conservation, recovery, or development as specified in section 10.*

Subd. 11. *The authority shall issue loans to municipalities from funds generated by the sale of general obligation bonds issued by the commissioner of finance.*

Subd. 12. *The authority shall administer the district heating loan program established in section 116J.36 on behalf of the commissioner. Any district heating loan made by the authority to a municipality shall comply with the criteria specified in section 116J.36, subdivisions 1 to 10.*

Subd. 13. *The authority shall promulgate rules and temporary rules to operate the loan programs and loan guarantee program authorized in subdivisions 7 to 11.*

Subd. 14. The authority shall provide direct assistance to businesses that plan to begin or expand their operations into the area of energy. The assistance shall include:

(a) providing data currently collected by the state that relates to resources, markets, economics, demographics, loans, and business planning;

(b) performing a limited technical review of prototypes or processes;

(c) conducting a limited number of feasibility studies to assist business development;

(d) conducting workshops, seminars, and other educational opportunities that relate to starting energy businesses or specific technical subjects, when appropriate, working in cooperation with the department of education and appropriate educational institutions in the state; and

(e) sharing information or networking among energy developers by use of newsletters, conferences, or the like.

Subd. 15. The authority shall operate, on behalf of the commissioner, the program of energy improvement loans to schools created by the concepts embedded in an act styled as H.F. 549 on March 28, 1983. Any appropriation made in furtherance of that program, and any specific authorities or responsibilities attendant to the program, are appropriated to and shall be exercised by the authority.

Subd. 16. The authority may provide general technical assistance to project applicants to assure the preparation of complete, fully descriptive proposals for projects.

Subd. 17. The authority may seek out and assist with the preparation of proposals for innovative conservation, renewable, alternative, or energy recovery projects.

Subd. 18. The authority may engage or assist in the development and operation of conservation or alternative or renewable energy system equipment. This includes development and operation of projects for which assistance is provided by the federal government or another funding source.

Subd. 19. The authority may manage and dispense funds made available to it for the purpose of research studies or demonstration projects related to energy conservation or other activities deemed appropriate by the authority.

Subd. 20. The authority may accept appropriations, gifts, grants, bequests, and devises and utilize or dispose of the same

to carry out any provisions of sections 2 to 16. All gifts, grants, bequests, and revenues from other such sources are hereby appropriated to the authority for purposes of this act.

Sec. 8. [ENERGY LOAN INSURANCE PROGRAM.]

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

(a) "Fund" means the energy loan insurance fund created by subdivision 2.

(b) "Lender" means any state or federally chartered bank, credit union, savings bank, savings and loan association, savings association, trust company or a lender certified by the secretary of housing and urban development or the administrator of veterans affairs or approved or certified by the administrator of the farmers loan administration.

(c) "Loan" means a loan or advance of credit with such security as may be required by the authority.

(d) "Qualified energy project" means acquiring, installing, or constructing capital improvements, equipment, land or buildings needed for:

(1) energy conservation or recovery or use of alternate or renewable energy sources in a trade or business;

(2) energy recovery or production of energy from alternate or renewable energy sources for sale in a trade or business; or

(3) the trade or business of producing equipment for energy conservation or recovery or for the production or use of energy from alternate or renewable sources.

Subd. 2. [ENERGY LOAN INSURANCE FUND.] An energy loan insurance fund is created. The fund shall be used by the authority as a revolving fund for carrying out the provisions of this section with respect to loans insured under subdivision 3.

Subd. 3. [INSURANCE OF LOANS.] (a) [AUTHORIZATION.] The authority is authorized, upon application by a lender, to insure any eligible loan as provided in this section; and under terms as the authority may prescribe to make commitments for the insuring of loans prior to the date of their execution or disbursement. Existing plants that are in need of upgrading or retrofitting may use the value of facilities and equipment that are directly related to the projects as equity contribution in determining the total cost of the project.

(b) [ELIGIBILITY REQUIREMENTS.] *The authority may establish requirements for loans to be eligible for insurance under this section, relating to:*

(1) *Maximum principal amount, amortization schedule, interest rate, delinquency charges, and other terms.*

(2) *The portion of the loan to be insured.*

(3) *Acceleration and other remedies.*

(4) *Covenants regarding insurance, repairs, and maintenance of the project.*

(5) *Conditions regarding subordination of the loan security, if any, to other liens against the same property.*

(6) *The aggregate principal amount of loans to be insured in relation to the reserves from time to time on hand in the insurance fund, and priorities as to the loans to be insured.*

(7) *Any other matters determined by the authority to be necessary.*

(c) [CONCLUSIVE EVIDENCE OF INSURABILITY.] *Any contract of insurance executed by the authority under this section shall be conclusive evidence of the eligibility of the loan for insurance, and the validity of any contract of insurance properly executed and in the hands of any approved lender shall not be contestable, except for fraud or misrepresentation on the part of the lender.*

(d) [PREMIUMS.] *The authority is authorized to fix premium charges for the insurance of loans under this section, at levels which in its judgment, taking into account other amounts available in the fund, will be sufficient to maintain a reserve for loan losses.*

(e) [PROCEDURES UPON DEFAULT.] *The authority may establish procedures to be followed by lenders and to be taken by the authority in the event of default upon an energy loan, including:*

(1) *time for filing claims;*

(2) *rights and interests to be assigned and documents to be furnished by the lender;*

(3) *principal and interest to be included in the claim; and*

(4) conditions, if any, upon which the authority will pay the entire principal amount in default, after foreclosure and receipt of marketable title to the property.

Subd. 4. [INVESTMENT INTEREST.] All interest and profits accruing from investment of the fund's money shall be credited to and be a part of the fund, and any loss incurred in the principal of the investments of the fund shall be borne by the fund.

Sec. 9. [REVENUE BOND PROGRAM.]

Subdivision 1. [AUTHORITY TO MAKE LOANS.] The authority may make loans to individuals, partnerships, corporations, or other entities for the financing of capital improvements to be used in connection with a trade or business if the principal purpose of the improvements is energy conservation or to reduce the usage of conventional fuels as a source of energy.

Subd. 2. [BONDING AUTHORITY.] The authority may borrow money and may issue bonds, notes, or other obligations as evidence of the borrowing in accordance with sections 462A.08 to 462A.13, 462A.16 and 462A.17, all with the force and effect stated and the incidental powers granted and duties imposed in those sections. The authority may sell any of its obligations at public or private sale, at the price or prices the authority determines are appropriate, notwithstanding the limitations on sale price in section 462A.09.

Subd. 3. [LIMITATIONS ON OBLIGATIONS.] Neither the state nor any agency or political subdivision of the state shall be liable on bonds, notes, or other obligations issued by the authority. No bond, note, or other obligation of the authority shall constitute a debt or loan of the credit of the state or any political subdivision or any individual member of the authority. Notwithstanding the provisions of section 462A.08, subdivision 3, the bonds, notes, and other obligations issued by the authority shall be payable solely from the revenues and other moneys derived from the operation of the program authorized by this section, and from the reserve fund.

Subd. 4. [RESERVE FUND.] A general reserve fund is created and is eligible to receive appropriations. Upon recommendation of the authority and the governor the state may but shall not be legally obligated to make such appropriations. The authority may irrevocably pledge and appropriate all or a segregated portion of the reserve fund to make principal and interest payments when due on all or one or more series of its obligations for which other funds are not available, pursuant to the terms and conditions the authority shall prescribe. Unless the reserve fund has been pledged and appropriated to secure the obligations, the reserve fund shall not be available to make principal

or interest payments on the obligations. The authority may not issue obligations secured by the reserve fund if the sum of the obligations to be issued and the outstanding obligations secured by the reserve fund or the segregated portion of the fund exceeds the amount on deposit in the fund or segregated portion multiplied by ten.

Subd. 5. [LOAN PAYMENTS; FEES.] The authority may impose and collect interest and amortization payments on loans, may authorize the collection of fees and charges, and may require funds to be placed in escrow. The payments, fees, charges and amounts placed in escrow shall be sufficient to provide for the payment and security of the obligations issued and for their servicing, to provide for insurance against losses, and to cover the cost of issuance of the obligations and technical consultative and other assistance services.

Subd. 6. [INVESTMENT INCOME.] All interest and profits accruing from investment of the reserve fund's moneys shall be credited to and be part of the reserve fund, and any loss incurred in the investment of the reserve fund shall be borne by the fund. The assets of the reserve fund shall be invested only in direct obligations of the United States, or in obligations of agencies and instrumentalities of the United States, or in insured depository accounts up to the amount of the insurance, in any institution insured by an agency of the United States government, or otherwise as provided by contract with bondholders in the indenture or resolution of the authority by which the bonds are secured.

Subd. 7. [ADDITIONAL POWERS.] In addition to the powers specifically enumerated, the authority shall have any corporate powers necessary to effectuate or appropriate to the efficient implementation and operation of the revenue bond loan program authorized by this section, except to the extent explicitly limited by this section.

Sec. 10. [LOANS TO MUNICIPALITIES].

Subdivision 1. [APPLICATIONS.] The authority shall establish the procedures, form, and required contents of applications to be made by municipalities for loans to finance the acquisition or construction of capital improvements to be made for the purpose of energy conservation or recovery and use of alternative and renewable energy resources, when state bonds are authorized and issued for the purpose of such loans. This program shall include the district heating loan program established in section 116J.36.

Subd. 2. [MUNICIPAL OBLIGATION.] A loan shall not be made to a municipality until it has entered into an agreement with the state to make payments at least equal in the aggregate to the principal amount of the loan plus interest thereon at the

rate payable on the state bonds. The annual amounts of such payments shall be determined by the commissioner of finance. The amount due each year shall be payable prior to the time when transfers are required to be made to the state bond fund pursuant to section 16A.65. The agreement shall obligate the municipality to levy an ad valorem property tax in annual amounts sufficient to make the payments. The amount required to be levied may be reduced by any other available amounts held by the municipality in a special fund dedicated to the repayment of the loan.

Subd. 3. [RECEIPTS.] The principal and interest payments received by the authority in repayment of the loans authorized by this section shall be deposited in the state treasury and credited to the state bond fund and are appropriated to the commissioner of finance for the purpose of that fund.

Sec. 11. [.] [GENERAL POWERS OF THE AUTHORITY.]

Subdivision 1. For the purpose of exercising the specific powers granted in sections 8 to 11 and effectuating the other purposes of this act, the authority shall have the general powers granted in this section.

Subd. 2. It may sue and be sued.

Subd. 3. It may have a seal and alter the same at will.

Subd. 4. It may make, and from time to time, amend and repeal rules and temporary rules not inconsistent with the provisions of this act.

Subd. 5. It may acquire, hold and dispose of personal property for its corporate purposes.

Subd. 6. It may enter into agreements or other transactions with any federal or state agency, any person and any domestic or foreign partnership, corporation, association or organization.

Subd. 7. It may acquire real property, or an interest therein, in its own name, by purchase or foreclosure, where such acquisition is necessary or appropriate to protect any loan in which the authority has an interest and may sell, transfer and convey any such property to a buyer and, in the event such sale, transfer or conveyance cannot be effected with reasonable promptness or at a reasonable price, may lease such property to a tenant.

Subd. 8. It may procure insurance against any loss in connection with its property in such amounts, and from such insurers, as may be necessary or desirable.

Subd. 9. It may consent, whenever it deems it necessary or desirable in the fulfillment of its corporate purpose, to the modification of the rate of interest, time of payment or any installment of principal or interest, or any other term, of any loan, loan commitment, contract or agreement of any kind to which the authority is a party.

Sec. 12. [.] [FINANCIAL INFORMATION.]

Financial information, including but not limited to credit reports, financial statements and net worth calculations, received or prepared by the agency regarding any authority loan or loan guarantee is private data on individuals, pursuant to section 13.02, subdivision 12.

Sec. 13. Minnesota Statutes 1982, section 116C.03, subdivision 2, is amended to read:

Subd. 2. The board shall include as permanent members the commissioner of the department of energy, planning and development, the director of the pollution control agency, the commissioner of natural resources, the commissioner of agriculture, *the commissioner of energy*, the commissioner of health, the commissioner of transportation, and a representative of the governor's office designated by the governor. The governor shall appoint five members from the general public to the board, subject to the advice and consent of the senate.

Sec. 14. Minnesota Statutes 1982, section 116J.03, subdivision 1, is amended to read:

Subdivision 1. [SCOPE.] As used in sections (116J.05 TO 116J.35;) 116J.41 to 116J.54; 116J.58 to 116J.91; 299A.03; and 299A.04, the terms defined in this section have the meaning given them.

Sec. 15. [DEFINITION.]

As used in sections 2 to 17, the term "commissioner" means the commissioner of the department of energy.

Sec. 16. Minnesota Statutes 1982, section 116J.09, is amended to read:

116J.09 [DUTIES.]

The commissioner shall:

(a) Manage the department as the central repository within the state government for the collection of data on energy;

(b) Prepare and adopt an emergency allocation plan specifying actions to be taken in the event of an impending serious shortage of energy, or a threat to public health, safety, or welfare;

(c) Undertake a continuing assessment of trends in the consumption of all forms of energy and analyze the social, economic, and environmental consequences of these trends;

(d) Carry out energy conservation measures as specified by the legislature and recommend to the governor and the legislature additional energy policies and conservation measures as required to meet the objectives of sections 116J.05 to 116J.30;

(e) Collect and analyze data relating to present and future demands and resources for all sources of energy, and specify energy needs for the state and various service areas as a basis for planning large energy facilities;

((F) REQUIRE CERTIFICATE OF NEED FOR CONSTRUCTION OF LARGE ENERGY FACILITIES;)

((G)) (f) Evaluate policies governing the establishment of rates and prices for energy as related to energy conservation, and other goals and policies of sections 116J.05 to 116J.30, and make recommendations for changes in energy pricing policies and rate schedules;

((H)) (g) Study the impact and relationship of the state energy policies to international, national, and regional energy policies;

((I)) (h) Design and implement a state program for the conservation of energy; this program shall include but not be limited to, general commercial, industrial, and residential, and transportation areas; such program shall also provide for the evaluation of energy systems as they relate to lighting, heating, refrigeration, air conditioning, building design and operation, and appliance manufacturing and operation;

((J)) (i) Inform and educate the public about the sources and uses of energy and the ways in which persons can conserve energy;

((K)) (j) Dispense funds made available for the purpose of research studies and projects of professional and civic orientation, which are related to either energy conservation or the development of alternative energy technologies which conserve nonrenewable energy resources while creating minimum environmental impact;

((L)) (k) Charge other governmental departments and agencies involved in energy related activities with specific information gathering goals and require that those goals be met;

(l) Serve as a member of the environmental quality board;

(m) Serve as chairperson of the energy coordination board;

(n) Serve as executive director and member of the energy authority.

Sec. 17. Minnesota Statutes 1982, section 116J.10, is amended to read:

116J.10 [POWERS.]

The commissioner may:

(a) Adopt rules pursuant to chapter 14 as necessary to carry out the purposes of sections 116J.05 to 116J.30 and, when necessary for the purposes of section 116J.15, adopt temporary rules pursuant to sections 14.29 to 14.36;

(b) Make all contracts pursuant to sections 116J.05 to 116J.30 and do all things necessary to cooperate with the United States government, and to qualify for, accept and disburse any grant intended for the administration of sections 116J.05 to 116J.30. Notwithstanding (ANY) other law the commissioner is designated the state agent to apply for, receive and accept federal or other funds made available to the state for the purposes of sections 116J.05 to 116J.30.

(c) Contract for professional services if such work or services cannot be satisfactorily performed by employees of the department or by any other state agency;

(d) Enter into interstate compacts to jointly carry out such research and planning with other states or the federal government where appropriate;

(e) Distribute informational material at no cost to the public upon reasonable request;

(f) Provide on-site technical assistance to units of local government (IN ORDER) to enhance local capabilities for dealing with energy problems;

(g) (ADMINISTER FOR THE STATE, ENERGY PROGRAMS PURSUANT TO FEDERAL LAW, REGULATIONS OR GUIDELINES, EXCEPT FOR THE CRISIS FUEL ASSISTANCE AND LOW INCOME WEATHERIZATION PRO-

GRAMS ADMINISTERED BY THE DEPARTMENT OF ECONOMIC SECURITY, AND COORDINATE THE PROGRAMS AND ACTIVITIES WITH OTHER STATE AGENCIES, UNITS OF LOCAL GOVERNMENT AND EDUCATIONAL INSTITUTIONS) *Intervene in certificate of need proceedings.*

Sec. 18. Minnesota Statutes 1982, section 216B.16, is amended by adding a subdivision to read:

Subd. 12. [INTERVENOR PAYMENT.] The commission may order a utility to pay all or a portion of a party's intervention costs in any proceeding when the commission finds that the intervenor has materially assisted the commission's deliberation and the intervenor has insufficient financial resources to afford the costs of intervention.

Sec. 19. [216B.242] [CERTIFICATE OF NEED.]

Subdivision 1. [ASSESSMENT OF NEED CRITERIA.] The commissioner of energy shall, pursuant to chapter 14 and sections 116J.05 to 116J.30, adopt assessment of need criteria to be used in the determination of need for large energy facilities pursuant to this section.

Subd. 2. [TRANSFER OF CERTIFICATE OF NEED PROGRAM.] All powers, responsibilities and authorities for the issuance of certificates of need for large energy facilities is transferred from the department of energy, planning and development or its successor agency to the public utilities commission as provided in section 15.039.

Sec. 20. Minnesota Statutes 1982, section 462A.02, subdivision 10, is amended to read:

Subd. 10. It is further declared that supplies of conventional energy resources are rapidly depleting in quantity and rising in price and that the burden of these occurrences falls heavily upon the citizens of Minnesota generally and persons of low and moderate income in particular. These conditions are adverse to the health, welfare, and safety of all of the citizens of this state. It is further declared that it is a public purpose to ensure the availability of financing to be used by (LOW AND MODERATE INCOME PEOPLE) all citizens of the state to install in their dwellings reasonably priced energy conserving systems including those using alternative energy resources and equipment or other directly related repairs, improvements, and installations essential for energy conservation, so that by the improvement of the energy efficiency of all housing, the adequacy of the total energy supply may be preserved for the benefit of all citizens.

Sec. 21. Minnesota Statutes 1982, section 462A.05, is amended by adding a subdivision to read:

Subd. 14b. It may agree to purchase, make, or otherwise participate in the making, and may enter into commitments for the purchase, making, or participating in the making, of loans to persons and families, without limitations relating to the maximum incomes of the borrowers, to assist in energy conservation rehabilitation measures for existing housing owned by those persons or families including, but not limited to: weatherstripping and caulking, chimney construction or improvement, furnace or space heater repair, cleaning or replacement, insulation, storm windows and doors, and structural or other directly related repairs essential for energy conservation. Loans shall be made only when the agency determines that financing is not otherwise available, in whole or in part, from private lenders upon equivalent terms and conditions.

Sec. 22. Minnesota Statutes 1982, section 462A.05, is amended by adding a subdivision to read:

Subd. 23. The agency may participate in loans or establish a fund to insure loans, or portions of loans, which are made by any banking institution, savings and loan association, or other lender approved by the agency, organized under the laws of this or any other state or of the United States having an office in this state, to owners of renter occupied homes or apartments which do not comply with standards set forth in section 116J.27, subdivision 3, without limitations relating to the maximum incomes of the owners or tenants. The proceeds of the insured portion of the loan must be used to pay the costs of improvements, including all related structural and other improvements, which will reduce energy consumption.

Sec. 23. Minnesota Statutes 1982, section 462A.21, is amended by adding a subdivision to read:

Subd. 4j. It may expend money for the purposes of section 462A.04, subdivision 23, and may pay the costs and expenses for the development and operation of the program.

Sec. 24. [462A.27] [RULES.]

The agency may adopt temporary and permanent rules necessary for the efficient administration of sections 15 to 18. The rules authorized under this section may be adopted without complying with the administrative procedures act contained in chapter 14.

Sec. 25. [462A.072] [PROVISION OF FINANCIAL EXPERTISE TO OTHER AGENCIES.]

Upon request of the commissioner of energy, the director shall provide financial management assistance to the energy authority. Reimbursement for these services shall be at a reasonable rate.

established by negotiation between the director and the commissioner of energy.

Sec. 26. [APPROPRIATION.]

Subdivision 1. \$4,000,000 in fiscal year 1984 is appropriated from the general fund to the authority to be deposited in the energy loan guaranty fund.

Subd. 2. \$50,000 in fiscal year 1984 and \$50,000 in fiscal year 1985 is appropriated from the general fund to the energy coordination board for purposes of operating the intervention office. Money from this appropriation may be used for state employees involved in intervention activities or for contracts with outside consultants.

Subd. 3. \$4,000,000 in fiscal year 1984 is appropriated from the general fund to the authority to be deposited in the general reserve fund pursuant to section 9.

Subd. 4. There is appropriated to the authority moneys appropriated in Laws 1981, chapter 334, section 12 and such other funding as may be delegated by other law for the purpose of making loans to municipalities pursuant to section 10.

Subd. 5. The sum of \$44,000 in fiscal year 1984 and \$46,500 in fiscal year 1985 is appropriated from the general fund to the department of energy for purposes of the energy business development assistance program in section 7, subdivision 14. The complement of the agency is increased by one position.

Subd. 6. The sum of \$4,000,000 in fiscal year 1984 is appropriated from the general fund and transferred to the housing development fund for the purposes of section 20. The complement of the housing finance agency is increased by 1.5 positions.

Subd. 7. The sum of \$4,000,000 in fiscal year 1984 is appropriated from the general fund and transferred to the housing development fund for the purposes of section 21. The complement of the housing finance agency is increased by 1.5 positions.

Subd. 8. The sum of \$1,500,000 in fiscal year 1984 and \$1,500,000 in fiscal year 1985 is appropriated from the general fund to the commissioner of economic security for residential weatherization programs for low-income persons.

Subd. 9. The sum of \$251,400 in fiscal year 1984 and \$318,100 in fiscal year 1985 is appropriated from the general fund to the department of energy, planning and development for the purpose of section 3. The complement of the department is increased by four positions.

Subd. 10. \$408,800 in fiscal year 1984 and \$340,490 in fiscal year 1985 is appropriated from the general fund to the commissioner of energy, planning and development for general administrative costs of the energy department. The complement of the department for general administration shall be nine positions.

Sec. 27. [BOND SALE.]

To provide the funds appropriated by section 26, the commissioner of finance shall issue and sell the bonds authorized by and as provided in Laws 1981, chapter 334, section 12."

Amend the title as follows:

Page 1, line 12, after the semicolon, insert "216B;"

With the recommendation that when so amended the bill pass.

The report was adopted.

Rice from the Committee on Appropriations to which was referred:

H. F. No. 828, A bill for an act relating to energy; providing an omnibus energy policy; appropriating money; amending Minnesota Statutes 1982, sections 16.02, by adding a subdivision; 116J.24, by adding a subdivision; 116J.27, subdivisions 2, 6, and by adding a subdivision; 116J.31; 116J.36; 156A.02, subdivision 6; 156A.10, subdivision 1; 216B.164, subdivisions 2, 5, and by adding a subdivision; 216B.38; 216B.44; 216B.45; 216B.46; 216B.47; 412.321, subdivision 2; and 453.54, by adding a subdivision; proposing new law coded in Minnesota Statutes, chapters 116J and 216B; repealing Minnesota Statutes 1982, sections 3.351 and 116J.27, subdivisions 5 and 7.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1982, section 16.02, is amended by adding a subdivision to read:

Subd. 29. To contract to purchase by installment payments capital or other equipment or services intended to improve the energy efficiency of a state building or facility provided that:

(a) *the term of the contract does not exceed ten years;*

(b) *the entire cost of the contract is a percentage of the resultant savings in energy costs;*

(c) *the contract for purchase is based on a competitive basis; and*

(d) *the state may unilaterally cancel the agreement if the legislature fails to appropriate funds to continue the contract.*

The commissioner may spend funds appropriated for energy costs in payment of a contract under this subdivision.

Sec. 2. [116J.371] [SURVEY OF STEAM TRAPS.]

The commissioner shall survey the steam traps in 100 state-owned buildings, to be selected by the commissioner of administration or his or her designee. The purpose of the survey is to assess the energy efficiency of current steam traps and to recommend repair or replacement of faulty steam traps.

Sec. 3. [116J.372] [ENERGY MANAGEMENT TRAINING PROGRAM.]

The commissioner shall establish a program to train state building operators in efficient energy management of state buildings. The commissioner shall document the energy savings from this program and make it available for use in other program areas, such as in local government buildings. To the maximum reasonable extent the commissioner shall make available to the private sector energy saving results, training techniques, and program teaching materials developed during the energy management training program.

Sec. 4. [116J.38] [BUILDING ENERGY RESEARCH CENTER.]

Subdivision 1. [ENERGY IMPROVEMENT GOALS.] To improve the energy efficiency of buildings, the commissioner shall administer a building energy research center that shall be a cooperative effort among the department of energy, planning and development or its successor agency, the university of Minnesota, area vocational technical institutes, and certain associations and businesses from the private sector. The center's goal is to become a nationally recognized center for building research.

Subd. 2. [PURPOSE.] The purpose of the building energy research center is to:

- (a) *conduct studies of actual Minnesota building experience;*
- (b) *disseminate information acquired relating to building energy efficiency;*
- (c) *conduct continuing education courses;*

(d) *provide limited energy and design consultation services for innovative projects;*

(e) *coordinate and stimulate research efforts; and*

(f) *seek private sector pledges to match the appropriation for this program as provided in section 21.*

Subd. 3. [SUPERINSULATED HOME DEMONSTRATION PROJECT.] *The superinsulated home demonstration project funded under Laws 1981, chapter 356, section 30 shall be continued under the direction of the commissioner and the center to monitor and document new projects and projects in progress. The project shall:*

(a) *work with the financial community to bring energy cost and savings into mortgage underwriting standards; and*

(b) *develop a definition of superinsulation for use by financial institutions.*

Sec. 5. Minnesota Statutes 1982, section 116J.27, subdivision 2, is amended to read:

Subd. 2. For the purposes of subdivisions 3 to 7, the following terms shall have the meanings given them.

(a) "Residence" means any dwelling for habitation either seasonally, meaning all or a portion of the months of December through March, or permanently by one or more persons. A residence (MAY BE OWNED OR RENTED AND) may be part of a multi-dwelling or multi-purpose building, but shall not include buildings such as hotels, hospitals, motels, dormitories, sanitariums, nursing homes, schools and other buildings used for educational purposes, or correctional institutions. A manufactured home as defined in section 168.011, subdivision 8, shall be a residence for purposes of this section.

(b) ("TIME OF SALE" MEANS THE TIME WHEN A WRITTEN PURCHASE AGREEMENT IS EXECUTED BY THE BUYER, OR, IN THE ABSENCE OF A PURCHASE AGREEMENT, AT THE TIME OF THE EXECUTION OF ANY DOCUMENT PROVIDING FOR THE CONVEYANCE OF A RESIDENCE.)

((C) "ENERGY DISCLOSURE REPORT" MEANS THE WRITTEN AND SIGNED EVALUATION BY A PERSON CERTIFIED PURSUANT TO SUBDIVISION 6 MADE ON AN APPROVED FORM, REPRESENTING TO THE ACTUAL BUYER OF THE RESIDENCE EVALUATED THAT THE EVALUATOR HAS USED REASONABLE CARE AND DILI-

GENCE. FOR PURPOSES OF SUBDIVISIONS 5 AND 7, A RESIDENTIAL ENERGY AUDIT MEETING THE AUDIT STANDARDS OF 42 U.S.C. 8211 ET SEQ. MAY BE SUBSTITUTED FOR AN ENERGY DISCLOSURE REPORT.)

((D)) "Applicable energy efficiency standards" means those standards established under subdivision 1 which are not shown to be economically infeasible for the building in question.

Sec. 6. Minnesota Statutes 1982, section 116J.27, subdivision 6, is amended to read:

Subd. 6. [BUILDING EVALUATORS.] The commissioner shall certify evaluators in each county of the state who are qualified to determine the compliance of a residence with applicable energy (DISCLOSURE REQUIREMENTS) *efficiency standards*. The commissioner shall, by rule pursuant to chapter 14, adopt standards for the certification and performance of evaluators and set a fee for the certification of evaluators which is sufficient to cover the ongoing costs of the program once it is established. The commissioner shall encourage the certification of existing groups of trained municipal personnel and qualified individuals from community-based organizations and public service organizations. Each certified evaluator shall, on request of the owner, inspect any residence and report the degree to which it complies with applicable energy (DISCLOSURE REQUIREMENTS) *efficiency standards established pursuant to subdivision 3*. The inspections shall be made within 30 days of the request. After July 1, 1981, evaluators (FOR THE HOME ENERGY DISCLOSURE PROGRAM) shall be certified only if they also meet all requirements for conducting residential energy audits pursuant to 42 U.S.C. 8211 et seq. (ANY PERSON CERTIFIED AS A BUILDING EVALUATOR PRIOR TO JULY 1, 1981, SHALL, BY JANUARY 1, 1982, MEET THE UPGRADED CERTIFICATION STANDARDS IN EFFECT AFTER JULY 1, 1981.) The commissioner shall enter into an agreement with the department of education for the provision of evaluator training through the area vocational technical institutes. The commissioner may contract with the area vocational technical institutes to reduce the training costs to the students. The commissioner may eliminate the examination fee for person seeking upgraded certificates. The commissioner may also establish requirements for continuing education, periodic recertification, and revocation of certification for evaluators.

Sec. 7. Minnesota Statutes 1982, section 116J.27, is amended by adding a subdivision to read:

Subd. 9. The commissioner shall develop and implement a voluntary home energy rating system for the purpose of providing the buyer of a home with information indicating the predicted energy performance of the dwelling. Development of the rating system shall incorporate the comments and opinions of

relevant private sector interests. The system shall be available for use by January 1, 1985.

Sec. 8. Minnesota Statutes 1982, section 116J.31, is amended to read:

116J.31 [ENERGY AUDITS.]

The commissioner, in cooperation with the director of consumer services, shall develop (THE) *and administer* state (PLAN FOR THE PROGRAM) *programs* of energy audits of residential and commercial buildings *including those* required by (42) United States Code, *title 42*, section 8211 et seq. *and section 8281*. The consumer services division and the attorney general are authorized to release information on consumer complaints about the operation of the program to the commissioner.

Sec. 9. Minnesota Statutes 1982, section 116J.24, is amended by adding a subdivision to read:

Subd. 6. [OUTREACH FOR ENERGY AUDIT INTERPRETATION.] The commissioner shall establish a program to assist school officials in the understanding of energy audits performed on their schools. The program will also provide suggestions and assistance in the application for any state or federal grants or loans relating to energy conservation for which the school may be eligible.

Sec. 10. Minnesota Statutes 1982, section 116J.36, is amended to read:

116J.36 [DISTRICT HEATING GRANTS AND LOANS.]

Subdivision 1. [POLICIES.] Developing and improving efficient and economical district heating systems is a public purpose for state and local financing and a proper function of state and local government. Climate and geography make a reliable, economic supply of energy essential for industrial, commercial, and residential heating. Imported supplies are increasingly costly, unreliable, and environmentally disadvantageous. District heating systems employing cogeneration techniques and innovative technology offer an important means of increasing the efficiency of Minnesota's energy systems and reducing the state's reliance on imported energy supplies. The combination of the large initial capital cost and investors' lack of familiarity with district heating has made the private market reluctant to provide the necessary capital for district heating projects. As a result, public leadership, cooperation, and aid are needed to demonstrate the feasibility of district heating systems by establishing economically viable municipal district heating systems as demonstration projects. Municipal district heating systems may be fi-

nanced by loans from the state and from other sources available to municipalities.

Subd. 2. [DEFINITIONS.] In this section:

(a) "Construction costs" means all costs associated with the construction, modification or expansion of a district heating system except for preliminary planning costs and detailed design costs. Construction costs include the cost of debt service from the time a construction loan is made until five years after the beginning of the operation of the district heating system constructed or the part of the system being modified or expanded.

(b) "District heating" means the use of a central energy conversion facility to produce hot water or steam for a district heating system. District heating facilities may also produce electricity in addition to hot water or steam.

(c) "Municipality" means any county, city, town, municipal power agency, or public utility, as defined in section 452.01, subdivision 3, owned and operated by a city, however organized or nonprofit corporation organized pursuant to the provisions of chapter 317 whose membership is limited to the mayor and governing body of the city in which the district heating system is located.

(d) "District heating system" means any existing or proposed facility for (1) the production, through cogeneration or otherwise, of hot water or steam to be used for district heating, or (2) the transmission and distribution of hot water or steam for district heating either directly to heating consumers or to another facility or facilities for transmission and distribution, or (3) any part or combination of the foregoing facilities.

Subd. 3. [ELIGIBILITY.] The commissioner of finance, upon request of the governor, may make loans to municipalities for the acquisition, construction, expansion, or modification of district heating systems. A loan shall be made only to a municipality that has demonstrated that:

(a) The municipality has the financial capability to sponsor the project;

(b) The project is technologically feasible;

(c) The district heating project will become a cogeneration facility or the project will utilize hot water or, if the project involves an existing district steam heating system, the project will become integrated with a hot water district heating system, or the project will allow the use of nonpetroleum fuels or will construct an efficient heat transmission system; and

(d) The municipality has made adequate provision to assure proper and efficient operation and maintenance of the project after construction is completed.

Subd. 3a. [GRANT ELIGIBILITY.] The commissioner of energy, planning and development may provide planning grants to municipalities for planning related to the development of district heating systems. The municipality must demonstrate that a community heatload survey and map have been successfully completed, that potential district heating load is sufficiently large to justify further consideration, and that sufficient resources are available for the municipality to meet its financial requirements. Eligible planning grant costs include project definition, development of preliminary financing and distribution system plans, and obtaining commitment for detailed planning or design and preparation of a final report. The amount of a grant shall be limited to 50 percent of eligible planning costs and shall not exceed \$25,000.

Subd. 4. [PRIORITIES.] The commissioner of energy, planning and development shall give higher priority to a project that does more to achieve the following goals:

(a) The district heating conversion facility employs cogeneration techniques;

(b) The facility uses renewable or nonpetroleum sources of energy;

(c) The district heating facility will save petroleum or natural gas;

(d) The operation of the district heating facility will not have an adverse impact on the environment;

(e) The district heating facility may readily be expanded to serve additional customers or to supply additional amounts of energy, and market demand for the energy exists;

(f) The project has obtained additional financing from the federal government, private sources, or other sources of capital; and

(g) Other goals the commissioner of energy, planning and development finds desirable for district heating systems.

Subd. 5. [APPLICATION.] Application for a loan to be made pursuant to subdivision 6 shall be made by a municipality to the commissioner of energy, planning and development on a form prescribed by the commissioner of energy, planning and development by rule. The commissioner of energy, planning and development shall review each application and determine:

- (a) Whether or not the project is eligible for a loan;
- (b) The priority of the project when ranked with all other eligible projects for which a loan application has been submitted;
- (c) The total estimated cost of the project;
- (d) The amount of the loan for which the project is eligible;
- (e) The terms upon which the loan would be made; and
- (f) The means by which the municipality proposes to finance the project, including:
 - (1) A loan authorized by state law; or
 - (2) A grant of money appropriated by state law; or
 - (3) A grant to the municipality by an agency of the federal government within the amount of money then appropriated to that agency and allocated by it to projects within the state; or
 - (4) The appropriation of proceeds of bonds or other money of the municipality to an account for the construction of the project; or
 - (5) User charges, franchise fees, special assessments or taxes; or
 - (6) Any or all of the means referred to in clauses (1) to (5).

Subd. 6. [LOANS.] Upon the recommendation of the governor pursuant to subdivision 8, the commissioner of finance shall make loans to municipalities on the following terms:

- (a) In the case of loans for design costs, the maximum amount of the loan shall be limited by the provisions of this clause. For cities of the first class, the amount of the loan shall not exceed 40 percent of the design costs. For cities of the second, third and fourth class, the amount of the loan shall not exceed 90 percent of the design costs;
- (b) In the case for loans for construction costs, a municipality must demonstrate that all design activities have been completed; that the project is economically and technologically feasible; that the district heating system will be constructed, and that it has made adequate provisions to assure proper and efficient operation and maintenance of the project. For cities of the first class, the amount of the loan shall be up to 50 percent of the construction costs. For cities of the second class, the amount of the loan shall be up to 80 percent of the construction costs.

For cities of the third or fourth class, the amount of the loan shall be up to 90 percent of the construction costs.

(c) A loan made pursuant to this section is repayable over a period of 20 years, with interest payments beginning the first year. Interest shall accrue from the date of the loan at a rate of interest assigned at the date of loan commitment. Principal payments shall begin in the sixth year after the receipt of the loan on a 25 year level payment schedule with the balance of the principal to be retired with the payment due 20 years after receipt of the loan.

Subd. 7. [MODERN STEAM SYSTEMS.] (a) A municipality which has operating within its boundaries a modern steam district heating system owned by a district heating utility may apply for a loan or grant under this section even though the district heating project for which the loan or grant application is made may be planned, constructed, or owned by a district heating utility. The loan or grant application shall be treated in the same manner as loan or grant applications for district heating projects where the projects are to be planned, constructed, or owned by a municipality.

All or a portion of the proceeds of a loan made to a municipality described in this subdivision may be used to make loans to a district heating utility to provide financial assistance for the planning, modification, expansion or construction of a district heating project. Prior to making the loan to the district heating utility, the municipality shall:

(1) Adopt a district heating plan which identifies the areas of the city to be served by district heating; a time schedule indicating when service would be available in different areas of the city and the type of service to be offered; and

(2) Enter into a written agreement with the district heating utility which includes a requirement that the district heating utility restrict expansion of its existing steam system within its current geographic boundaries as determined by the municipality and develop a hot water system on a specific time schedule.

(b) The powers, authority and obligations granted to a municipality under this subdivision are supplemental to the powers, authority and obligations granted all municipalities under this section.

(c) As used in this subdivision, "modern steam district heating system" means a steam district heating system with condensate return built after 1970 and before May 30, 1981. "District heating utility" means any person, corporation, or other legal entity which owns or operates or plans to own or operate a district heating system. "District heating project" means a new dis-

strict heating system, or the expansion or modification of the existing modern steam district heating system.

Subd. 8. [LOAN APPROVAL.] The commissioner of energy, planning and development shall prepare and submit to the legislative advisory commission a list of district heating loan requests. The list shall contain the supporting information required by subdivisions 3, 4, 5, 6, and 7. The recommendation of the legislative advisory commission shall be transmitted to the governor. The governor shall approve or disapprove, or return for further consideration, each project recommended for approval by the legislative advisory commission. Loans may be disbursed only upon approval by the governor.

Subd. 9. [PAYMENT; OBLIGATION.] The commissioner of finance shall not pay money to a municipality pursuant to an approved loan until he has determined that:

(a) Financing of the project as proposed by the municipality is assured by an irrevocable undertaking, by resolution of the governing body of the municipality, to use all money made available by the financing plan exclusively for the eligible costs of the project, and to pay any additional amount by which the cost of the project exceeds the estimate by the appropriation to the construction account of additional municipal money or the proceeds of additional bonds to be issued by the municipality; and that

(b) the governing body of the municipality has adopted a resolution obligating the municipality to repay the loan according to the terms in the loan. The obligation may be payable from user charges, franchise fees, special assessments or other money available to the municipality. The resolution shall obligate the municipality to annually impose and collect user charges, franchise fees, special assessments, or to use any other money available to it from any other specified source, in amounts and at times that if collected in full will annually produce at least five percent in excess of the amount needed for all annual costs of the system, including annual repayment on state loans. A municipality may also pledge to levy an ad valorem tax to guarantee the payments under the loan agreement. For the purpose of repaying the loan, the municipality by resolution of its governing body may fix the rates and charges for district heating system service and products, may enter into contracts for the payment by others of costs of construction, maintenance, and use of the project in accordance with section 444.075 and may pledge the revenues derived therefrom. The commissioner of finance shall condition a loan upon the establishment of rates and charges or the execution of contracts sufficient to produce annually the revenues pledged for repayment of all annual costs of the system, including annual repayment of the state loan.

Subd. 10. [RECEIPTS.] All principal and interest payments received by the commissioner of finance in repayment of the loans authorized by this section shall be deposited in the state treasury and credited to the state bond fund and are appropriated to the commissioner of finance for the purposes of that account.

Subd. 11. [RULES.] The commissioner of energy, planning and development shall adopt rules necessary to carry out this section. The commissioner of energy, planning and development shall adopt temporary rules pursuant to sections 14.29 to 14.36, meeting the requirements of this section. The rules shall contain as a minimum:

- (a) Procedures for application by municipalities; and
- (b) Criteria for reviewing grant and loan applications.

Sec. 11. Minnesota Statutes 1982, section 156A.02, subdivision 6, is amended to read:

Subd. 6. For the purposes of sections 156A.02 to 156A.10 "groundwater thermal exchange device" means any (SPACE) 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.

Sec. 12. Minnesota Statutes 1982, section 156A.10, subdivision 1, is amended to read:

Subdivision 1. Notwithstanding any department or agency rule to the contrary, the department of health shall issue, upon request 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 (EXCLUSIVELY) for the operation of a groundwater thermal exchange device. Withdrawal and reinjection shall be accomplished by means of a closed system in which the waters drawn for thermal exchange shall have no contact or commingling with water from other sources or with any polluting material or substances and so constructed as to allow opening for inspection by the department. *Wells that are part of a groundwater thermal exchange system shall serve no other function, except that 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 which is at least twice the effective diameter of the water outlet from 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. As a condition of the permit, an applicant shall agree to allow inspection by the department during regular working hours for department inspectors. A maximum of 20 permits shall be issued for small systems having maximum capacities of 20 gallons per minute or less, which shall be subject to inspection twice annually. A maximum of ten permits shall be issued for larger systems having maximum capacities from 20 to 50 gallons per minute, which shall be subject to inspection four times per year. The department may by rule provide for administration of this section.

Sec. 13. Minnesota Statutes 1982, section 216B.164, subdivision 2, is amended to read:

Subd. 2. [APPLICABILITY.] This section as well as any rules promulgated by the commission (PURSUANT) to *implement this section* or the public utility regulatory policies act of 1978, Pub.L. 95-617, 92 Stat. 3117, and the federal energy regulatory commission regulations thereunder, 18 C.F.R. Part 292, shall apply to all Minnesota electric utilities, including cooperative electric associations and municipal electric utilities (, THAT BECOME INTERCONNECTED WITH ANY QUALIFYING FACILITY AS DEFINED IN 18 C.F.R. SECTION 292.101(B)(1)). *Notwithstanding any other provision contained in this chapter to the contrary, for the purposes of this section the terms "utility" and "electric utility" shall include municipal utilities and cooperative electric associations as well as public utilities as defined in section 216B.02, subdivision 4.*

Sec. 14. Minnesota Statutes 1982, section 216B.164, subdivision 5, is amended to read:

Subd. 5. [DISPUTES.] In the event of disputes between an electric utility and a qualifying facility, either party may request a determination of the issue by the commission. In any such determination, the burden of proof shall be on the utility, *except as otherwise expressly provided in this section. The commission in its order resolving each such dispute shall require payments to the prevailing party of the prevailing party's costs, disbursements, and reasonable attorneys' fees, except that the qualifying facility will be required to pay such costs, disbursements, and attorneys' fees of the utility only if the commission finds that the claims of the qualifying facility in the dispute have been made in bad faith, or are a sham, or frivolous.*

Sec. 15. Minnesota Statutes 1982, section 216B.164, is amended by adding a subdivision to read:

Subd. 9. [MUNICIPAL ELECTRIC UTILITIES.] *As this section applies to municipal electric utilities in this section only, commission shall mean the governing body of each municipal*

electric utility that adopts and has in effect rules implementing this section which are consistent with the rules of the Minnesota public utilities commission adopted pursuant to subdivision 6, except for subdivisions 5 and 7 in which case commission shall mean the Minnesota public utilities commission. As used in this subdivision, the governing body of a municipal electric utility means the city council, or, if another board, commission, or body is empowered by law or its charter or by resolution of the city council to establish and regulate rates and charges for the distribution of electric energy within the service area of the city, such board, commission, or body shall be deemed to be the governing body.

Sec. 16. [216B.242] [INVERTED RATES.]

The commission shall initiate a demonstration program on the conservation effects of inverted rates on the residential customers of natural gas utilities. The commission shall order at least one public gas utility to implement inverted rates for its residential customers for a period of two years, and to monitor the effects of these rates on gas consumption, and on costs to residential customers. The inverted rate rules and monitoring plans shall be prepared in consultation with, and with the approval of, the energy division of the Minnesota department of energy, planning and development or its successor. The commission shall report its findings and recommendations regarding the demonstration program to the governor and the legislature not later than January 1, 1986.

Sec. 17. Minnesota Statutes 1982, section 216B.44, is amended to read:

216B.44 [MUNICIPAL SERVICE TERRITORY EXTENSIONS (IN ANNEXED AREAS; MUNICIPAL PURCHASE).]

Notwithstanding the provisions of sections 216B.38 to 216B.42, whenever a municipality which owns and operates an electric utility (a) extends its corporate boundaries through annexation or consolidation, or (b) determines to extend its service territory within its existing corporate boundaries, the municipality shall thereafter furnish electric service to (THE ANNEXED AREA) these areas unless the area is already receiving electric service from an electric utility, in which event, the (ANNEXING) municipality may purchase the facilities of the electric utility serving the (ANNEXED) area. The municipality acquiring the facilities shall pay to the electric utility formerly serving the (ANNEXED) area the appropriate value of its properties within the area which payment may be by exchange of other electric utility property outside the municipality on an appropriate basis giving due consideration to revenue from and value of the respective properties. In the event the municipality and the electric utility involved are unable to agree as to the terms of the payment or exchange, the municipality or the electric

utility may file an application with the commission requesting that the commission determine the appropriate terms for the exchange or sale. After notice and hearing, the commission shall determine appropriate terms for an exchange, or in the event no appropriate properties can be exchanged, the commission shall fix and determine the appropriate value of the property within the annexed area, and the transfer shall be made as directed by the commission. In making that determination the commission shall consider the original cost of the property, less depreciation, loss of revenue to the utility formerly serving the area, expenses resulting from integration of facilities, and other appropriate factors. Until the determination by the commission, the facilities shall remain in place and service to the public shall be maintained by the owner. However, the electric utility being displaced, serving the annexed area, shall not extend service to any additional points of delivery within the annexed area if the commission, after notice and hearing, with due consideration of any unnecessary duplication of facilities, shall determine that the extension is not in the public interest.

When property of (A PUBLIC) *an electric utility* located within an area annexed to a municipality which owns and operates (A PUBLIC) *an electric utility* is proposed to be acquired by the municipality, ratification by the electors is not required.

When property of an electric utility located within the existing corporate boundaries of a municipality which currently operates a municipal electric utility is proposed to be included within the service territory of the municipal electric utility, ratification by the electors is not required.

Sec. 18. [216B.465] [VOTER RATIFICATION OF MUNICIPAL PURCHASE, LIMITED APPLICATION.]

The provisions of sections 216B.45 and 216B.46 shall apply only to the purchase of public utility property by a municipality which, prior to the time of the purchase, did not operate a municipal utility providing the type of utility service delivered by the utility property being purchased.

In cases where the municipality operates, prior to the purchase of public utility property, a municipal utility providing the type of utility service delivered by the utility property being purchased, the provisions of section 216B.44 apply and voter ratification is not required.

Sec. 19. Minnesota Statutes 1982, section 453.54, is amended by adding a subdivision to read:

Subd. 7a. It may invest in various technologies to minimize long-run costs of providing electrical services to consumers. These investments include energy conservation measures and renewable resources.

Sec. 20. Minnesota Statutes 1982, section 471.345, is amended by adding a subdivision to read:

Subd. 9. [ENERGY EFFICIENCY SERVICE CONTRACTS.] Notwithstanding any law to the contrary, a municipality may enter into a contract to purchase by installment payments capital or other equipment or services intended to improve the energy efficiency of buildings or facilities owned by the municipality provided that:

- (a) the term of the contract does not exceed ten years;*
- (b) the entire cost of the contract is a percentage of the resultant savings in energy costs;*
- (c) the contract for purchase is based on a competitive basis; and*
- (d) the municipality may unilaterally cancel the agreement if the governing board of the municipality fails to appropriate funds to continue the contract.*

Sec. 21. [APPROPRIATIONS.]

Subdivision 1. [AUDIT INTERPRETATION.] The sum of \$51,500 in fiscal year 1984 and \$48,500 in fiscal year 1985 is appropriated from the general fund to the department of energy, planning and development for purposes of the energy audit interpretation program established in section 9. The complement of the department is increased by one position.

Subd. 2. [STEAM TRAP SURVEY.] The sum of \$68,000 in fiscal year 1984 is appropriated from the general fund to the department of energy, planning and development for staff and program costs of the steam trap survey program under section 2.

Subd. 3. [ENERGY MANAGEMENT TRAINING.] The sum of \$60,000 in fiscal year 1984 is appropriated from the general fund to the department of energy, planning and development or its successor agency to operate the energy management training program under section 3. Included in this sum is money for the energy efficiency training of 800 building operators.

Subd. 4. [SUPERINSULATION PROJECT.] The sum of \$89,500 in fiscal year 1984 and \$40,500 in fiscal year 1985 is appropriated from the general fund to the department of energy, planning and development to hire one complement and to fund the continuing superinsulated home demonstration project for two years, as provided in section 4. The complement of the agency is increased by one position.

Subd. 5. [BUILDING ENERGY CENTER.] The sum of \$46,500 in fiscal year 1984 and \$36,000 in fiscal year 1985 is

appropriated from the general fund to the department of energy, planning and development to hire necessary staff, consultants, and equipment for the building energy research center as provided in section 4. These amounts are available only if matched on the basis of \$1 state to \$1 from other sources. The complement of the department is increased by one position.

Subd. 6. [DISTRICT HEATING GRANTS.] The sum of \$500,000 is appropriated from the general fund to the department of energy, planning and development to fund the secondary phase of district heating planning for municipalities that have received district heating loans under section 116J.36. This amount is for matching grants of up to \$25,000 each, as provided in section 10, and is available until expended.

Subd. 7. [DISTRICT HEATING ADMINISTRATION.] The sum of \$40,000 in fiscal year 1984 and \$40,000 in fiscal year 1985 is appropriated from the general fund to the department of energy, planning and development for administrative costs associated with the district heating grants in section 10. The complement of the department is increased by one position.

Subd. 8. [ENERGY AUDITS.] The sum of \$31,600 in fiscal year 1984 and \$68,400 in fiscal year 1985 is appropriated from the general fund to the department of energy, planning and development to develop and market energy audits for multi-family and commercial buildings pursuant to section 8.

Sec. 22. [REPEALER.]

Minnesota Statutes 1982, sections 3.351 and 116J.27, subdivisions 5 and 7 are repealed.

Sec. 23. [EFFECTIVE DATE.]

Section 8 is effective the day following final enactment."

Amend the title as follows:

Page 1, line 9, delete "216B.38;" and after "216B.44;" delete to the end of the line

Page 1, line 10, delete "subdivision 2; and" and after "subdivision;" insert "and 471.345, 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. 549, 572, 654, 300 and 828 were read for the second time.

SECOND READING OF SENATE BILLS

S. F. No. 1233 was read for the second time.

Carlson, D., was excused between the hours of 5:45 p.m. and 8:30 p.m.

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 S. F. No. 1233 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 S. F. No. 1233 be given its third reading and be placed upon its final passage. The motion prevailed.

DenOuden moved to amend S. F. No. 1233, as amended by the Committee on Appropriations, as follows:

Pages 51 and 52, delete section 49

Page 60, line 1, delete "*Sections 49 and 50 are*" and insert "*Section 50 is*"

Renumber the sections in sequence

Amend the title as follows:

Page 60, line 42, delete "subdivisions 1 and" and insert "subdivision"

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

Swiggum and Mann moved to amend S. F. No. 1233, as amended by the Committee on Appropriations, as follows:

Page 14, after line 16, insert the following:

"The Commissioner shall continue with the current level of livestock weighing service but shall not install any new state weighers at any other locations, presently without a state weigher, without prior approval of the legislature."

A roll call was requested and properly seconded.

POINT OF ORDER

Wenzel raised a point of order pursuant to rule 3.9 that the amendment was not in order. The Speaker ruled the point of order not well taken and the amendment in order.

POINT OF ORDER

Wenzel raised a point of order pursuant to rule 3.10 that the amendment was not in order. The Speaker ruled the point of order not well taken and the amendment in order.

The question recurred on the Sviggum amendment and the roll was called.

Vanasek moved that those not voting be excused from voting. The motion prevailed.

There were 58 yeas and 69 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Forsythe	Knickerbocker	Piepho	Stadum
Bennett	Frerichs	Kvam	Quinn	Sviggum
Bishop	Gruenes	Levi	Quist	Thiede
Blatz	Gutknecht	Ludeman	Redalen	Uphus
Burger	Haukoos	Mann	Reif	Valan
Dempsey	Heap	Marsh	Rose	Valento
DenOuden	Heinitz	McDonald	Schafer	Waltman
Dimler	Hoberg	McKasy	Schoenfeld	Welker
Erickson	Hokr	Olsen	Schreiber	Wigley
Evans	Jennings	Omann	Shaver	Zaffke
Findlay	Jensen	Onnen	Shea	
Fjoslien	Johnson	Pauly	Sherman	

Those who voted in the negative were:

Anderson, G.	Eken	Krueger	Osthoff	Simoneau
Anderson, R.	Elioff	Larsen	Otis	Skoglund
Battaglia	Ellingson	Long	Peterson	Solberg
Beard	Graba	McEachern	Piper	Staten
Begich	Greenfield	Metzen	Price	Swanson
Berkelman	Gustafson	Minne	Rice	Tomlinson
Brandl	Halberg	Munger	Rivness	Tunheim
Brinkman	Himle	Murphy	Rodosovich	Vanasek
Carlson, L.	Hoffman	Nelson, D.	Rodriguez, F.	Vellenga
Clark, J.	Jacobs	Nelson, K.	St. Onge	Welch
Clark, K.	Kahn	Neuenschwander	Sarna	Wenzel
Clawson	Kalis	Norton	Scheid	Wynia
Cohen	Kelly	O'Connor	Scaberg	Speaker Sieben
Coleman	Kostohryz	Ogren	Segal	

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

Welker moved to amend S. F. No. 1233, as amended by the Committee on Appropriations, as follows:

Page 6, delete lines 12 to 17

Reletter the clauses accordingly

A roll call was requested and properly seconded.

The question was taken on the amendment and the roll was called.

Vanasek moved that those not voting be excused from voting. The motion prevailed.

There were 40 yeas and 83 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Findlay	Hokr	Quist	Thiede
Bennett	Fjoslien	Jennings	Reif	Uphus
Bishop	Forsythe	Johnson	Schafer	Valan
Blatz	Gutknecht	Kvam	Schreiber	Valento
Burger	Haukoos	Ludeman	Shea	Waltman
Dempsey	Heap	Onnen	Sherman	Welker
DenOuden	Heinitz	Pauly	Stadum	Wigley
Erickson	Himle	Piepho	Sviggum	Zafke

Those who voted in the negative were:

Anderson, G.	Evans	Long	Otis	Simoneau
Anderson, R.	Frerichs	Mann	Peterson	Skoglund
Battaglia	Graba	Marsh	Piper	Solberg
Beard	Greenfield	McEachern	Price	Sparby
Begich	Gustafson	Metzen	Quinn	Staten
Bergstrom	Halberg	Minne	Rice	Swanson
Brandl	Hoffman	Munger	Riveness	Tomlinson
Brinkman	Jacobs	Murphy	Rodosovich	Tunheim
Carlson, L.	Jensen	Nelson, D.	Rodriguez, F.	Vanasek
Clark, J.	Kahn	Nelson, K.	Rose	Vellenga
Clark, K.	Kalis	Neuenschwander	St. Onge	Voss
Clawson	Kelly	Norton	Sarna	Welch
Cohen	Knickerbocker	O'Connor	Scheid	Wenzel
Coleman	Knuth	Ogren	Schoenfeld	Wynia
Eken	Kostohryz	Olsen	Seaberg	Speaker Sieben
Elioff	Krueger	Omam	Segal	
Ellingson	Larsen	Osthoff	Shaver	

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

Burger moved to amend S. F. No. 1233, as amended by the Committee on Appropriations, as follows:

Page 24, after line 32, insert:

“Sec. 27. [APPROPRIATION REDUCTION.]

Notwithstanding any modification of the provisions of the other sections of this bill, every appropriation specified in sections 1 to 51 shall be reduced by 5 percent of the amount stated. All expenditures to be made in whole or in part from the appropriations in this bill shall be reduced pro rata to allow implementation of all programs at a level of 95 percent."

Renumber sections as necessary.

A roll call was requested and properly seconded.

The question was taken on the amendment and the roll was called.

Vanasek moved that those not voting be excused from voting. The motion prevailed.

There were 48 yeas and 75 nays as follows:

Those who voted in the affirmative were:

Bennett	Frerichs	Jennings	Omann	Sherman
Bishop	Gruenes	Johnson	Onnen	Sviggum
Blatz	Gutknecht	Knickerbocker	Pauly	Thiede
Burger	Halberg	Kvam	Quist	Uphus
Dempsey	Haukoos	Levi	Reif	Valento
DenOuden	Heap	Ludeman	Rose	Waltman
Dimler	Heinitz	Marsh	Schafer	Welker
Evans	Himle	McDonald	Schreiber	Zaffke
Findlay	Hoberg	McKasy	Seaberg	
Fjoslien	Hokr	Olsen	Shaver	

Those who voted in the negative were:

Anderson, B.	Elioff	Long	Peterson	Skoglund
Anderson, G.	Ellingson	Mann	Piper	Solberg
Battaglia	Graba	McEachern	Price	Sparby
Beard	Greenfield	Metzen	Quinn	Staten
Begich	Gustafson	Minne	Rice	Swanson
Berkelman	Hoffman	Munger	Riveness	Tomlinson
Brandl	Jacobs	Murphy	Rodosovich	Tunheim
Brinkman	Jensen	Nelson, D.	Rodriguez, F.	Valan
Carlson, L.	Kahn	Nelson, K.	St. Onge	Vanasek
Clark, J.	Kalis	Neuenschwander	Sarna	Vellenga
Clark, K.	Kelly	Norton	Scheid	Welch
Clawson	Knuth	O'Connor	Schoenfeld	Wenzel
Cohen	Kostohryz	Ogren	Segal	Wigley
Coleman	Krueger	Osthoff	Shea	Wynia
Eken	Larsen	Otis	Simoneau	Speaker Sieben

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

The Speaker called Wynia to the Chair.

Dimler offered an amendment to S. F. No. 1233, as amended by the Committee on Appropriations.

McDonald requested a division of the Dimler amendment to S. F. No. 1233, as amended by the Committee on Appropriations.

The first portion of the Dimler amendment reads as follows:

Page 14, line 34, delete "3,227,100" and insert "2,877,100"

A roll call was requested and properly seconded.

The question was taken on the first portion of the Dimler amendment and the roll was called.

Vanasek moved that those not voting be excused from voting. The motion prevailed.

There were 45 yeas and 66 nays as follows:

Those who voted in the affirmative were:

Bennett	Fjoslien	Hokr	Pauly	Shaver
Bishop	Forsythe	Jennings	Quist	Sherman
Blatz	Gruenes	Johnson	Redalen	Thiede
Burger	Gutknecht	Knickerbocker	Reif	Uphus
Dempsey	Haukoos	Kvam	Rose	Valento
DenOuden	Heap	Levi	Schafer	Waltman
Dimler	Heinitz	McDonald	Schoenfeld	Welker
Erickson	Himle	McKasy	Schreiber	Wigley
Evans	Hoberg	Onnen	Seaberg	Zafike

Those who voted in the negative were:

Battaglia	Findlay	Long	Peterson	Solberg
Beard	Graba	Mann	Piper	Staten
Begich	Greenfield	Marsh	Price	Swanson
Berkelman	Gustafson	McEachern	Quinn	Tomlinson
Brandl	Hoffman	Minne	Riveness	Vanasek
Brinkman	Jacobs	Munger	Rodosovich	Vellenga
Carlson, L.	Jensen	Murphy	Rodriguez, C.	Voss
Clark, J.	Kahn	Nelson, D.	Rodriguez, F.	Welch
Clark, K.	Kalis	Nelson, K.	St. Onge	Wenzel
Clawson	Kelly	Norton	Sarna	Speaker Sieben
Cohen	Knuth	O'Connor	Scheid	
Coleman	Kostohryz	Ogren	Segal	
Eken	Krueger	Omann	Simoneau	
Elioff	Larsen	Osthoff	Skoglund	

The motion did not prevail and the first portion of the Dimler amendment was not adopted.

The second portion of the Dimler amendment reads as follows:

Page 14, delete line 40, and insert "\$800,000 the first year and \$800,000"

A roll call was requested and properly seconded.

The question was taken on the second portion of the Dimler amendment and the roll was called.

Staten moved that those not voting be excused from voting. The motion prevailed.

There were 47 yeas and 68 nays as follows:

Those who voted in the affirmative were:

Bishop	Craba	Krueger	Quist	Uphus
Blatz	Gruenes	Kvam	Schafer	Valan
Dempsey	Gutknecht	Levi	Schoenfeld	Valento
DenOuden	Haukoos	Marsh	Shaver	Waltman
Dimler	Heap	McDonald	Shea	Welker
Erickson	Heinitz	McKasy	Sherman	Wenzel
Evans	Himle	Olsen	Stadum	Wigley
Findlay	Hoberg	Omann	Sviggum	
Fjoslien	Johnson	Onnen	Thiede	
Forsythe	Knickerbocker	Pauly	Tunheim	

Those who voted in the negative were:

Anderson, B.	Clawson	Long	Osthoff	Simoneau
Anderson, G.	Cohen	Ludeman	Peterson	Skoglund
Battaglia	Coleman	Mann	Piper	Solberg
Beard	Eken	McEachern	Price	Staten
Begich	Elioff	Metzen	Quinn	Swanson
Bennett	Greenfield	Minne	Riveness	Tomlinson
Bergstrom	Jacobs	Munger	Rodosovich	Vanasek
Berkelman	Jensen	Murphy	Rodriguez, C.	Vellenga
Brandl	Kahn	Nelson, D.	Rodriguez, F.	Yoss
Brinkman	Kalis	Nelson, K.	St. Oage	Welch
Burger	Kelly	Neuenschwander	Sarna	Zaffke
Carlson, L.	Knuth	Norton	Scheid	Speaker Sieben
Clark, J.	Kostohryz	O'Connor	Scaberg	
Clark, K.	Larsen	Ogren	Segal	

The motion did not prevail and the second portion of the Dimler amendment was not adopted.

The Speaker resumed the Chair.

Clawson moved to amend S. F. No. 1233, as amended by the Committee on Appropriations, as follows:

Page 6, after line 39, insert:

“No portion of this appropriation, nor of any other monies, however received, managed by the commission may be used to repaint busses or other metropolitan transit commission vehicles in such a manner as to effect a change in that fleet color scheme in effect on March 1, 1983.”

The motion prevailed and the amendment was adopted.

S. F. No. 1233, A bill for an act relating to the organization and operation of state government; appropriating money for the department of transportation and for other agencies with certain conditions; fixing and limiting fees; providing for adjustments of responsibilities of the department of agriculture for soil and water conservation; allowing limited donation of accumulated vacation time by certain law enforcement employees to their union representative; providing for deposit of proceeds of assessment by the assigned risk review board; regulating financial assistance to public transit systems; limiting certain hearing functions of the transportation regulation board; transferring certain rules authority to the transportation regulation board; reducing membership and establishing terms of members of the public utilities commission; defining enforcement powers of the hazardous material specialists and transportation representatives of the department of transportation; defining terms and requirements for building movers; crediting certain receipts of the commissioner of transportation to the trunk highway fund; providing for certain costs to be paid from the trunk highway fund; authorizing the commissioner of transportation to enforce certain carrier regulations; extending retirement coverage of certain employees of the department of transportation from age 60 to age 62 and providing for disability benefits; transferring and renaming the air transportation revolving account; instructing the commissioner of transportation to charge users of certain air transportation services for certain costs; limiting fare increases by the metropolitan transit commission; basing taxing for the metropolitan transit taxing district upon the level of transit service provided; providing for the disposition of proceeds of certain trunk highway bonds; reducing the amount appropriated from the bridge construction account in the trunk highway fund to the department of transportation; amending Minnesota Statutes 1982, sections 12.14; 17A.04, subdivision 5; 18.51, subdivision 2; 18.52, subdivision 5; 18.53; 18.54; 18A.22, subdivisions 5 and 7; 18A.26; 27.041, subdivision 2; 28A.08; 28A.09; 32.075; 32.59; 34.02; 34.05, subdivision 1; 40.03, subdivision 2, as amended; 43A.04, by adding a subdivision; 79.251, subdivision 1; 155A.07, subdivision 7; 155A.08, subdivision 5; 169.81, subdivision 3b; 169.86, subdivision 5; 169.862; 170.23; 171.26; 171.29, subdivision 2; 173.07, subdivision 2; 173.08, subdivision 1; 173.13, subdivision 4; 174.24, subdivision 3; 174A.02, subdivision 2; 174A.06; 216A.03, subdivision 1; 221.061; 221.071; 221.131; 221.221; 221.296, subdivision 5; 221.64; 221.81; 296.17, subdivisions 10, 17, and 20; 296.25, subdivision 1; 299C.46, subdivision 3; 352.86, subdivisions 1, 2, and by adding a subdivision; 360.018, subdivision 1; 360.63; 473.408, subdivision 3 and by adding a subdivision; 473.446, subdivision 1, as amended; 500.221, subdivision 4; 626.88, subdivision 2; Laws 1975, chapter 235, section 2; Laws 1977, chapter 277, sections 1 and 3, subdivision 1; and Laws 1983, chapter 17, section 12; proposing new law coded in Minnesota Statutes, chapters 10A; 221; 299C; and 360; repealing Minnesota Statutes 1982, sections

24.24; 24.25; 24.26; 24.27; 24.28; 24.29; 24.30; 24.31; 160.26, subdivision 3; 174.265; and 174A.07.

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.

Eken moved that those not voting be excused from voting. The motion prevailed.

There were 96 yeas and 36 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Evans	Long	Quinn	Stadum
Anderson, G.	Findlay	Mann	Redalen	Staten
Anderson, R.	Fjoslien	McEachern	Rice	Sviggum
Battaglia	Graba	Metzen	Riveness	Swanson
Beard	Greenfield	Minne	Rodosovich	Tomlinson
Begich	Gustafson	Munger	Rodriguez, F.	Tunheim
Bennett	Halberg	Murphy	Rose	Upbus
Bergstrom	Himle	Nelson, D.	St. Onge	Valan
Berkelman	Hoberg	Nelson, K.	Sarna	Vanasek
Brandl	Hoffman	Neuenschwander	Scheid	Vellenga
Brinkman	Jacobs	Norton	Schoenfeld	Voss
Carlson, L.	Jensen	O'Connor	Schreiber	Waltman
Clark, J.	Johanson	Ogren	Seaberg	Welch
Clark, K.	Kahn	Omann	Segal	Wenzel
Clawson	Kalis	Osthoff	Shea	Wynia
Coleman	Kelly	Otis	Sherman	Speaker Sieben
Eken	Knuth	Pauly	Simoneau	
Elioff	Kostohryz	Peterson	Skoglund	
Ellingson	Krueger	Piper	Sollberg	
Erickson	Larsen	Price	Sparby	

Those who voted in the negative were:

Bishop	Frerichs	Knickerbocker	Onnen	Valento
Blatz	Gruenes	Kvam	Piepho	Welker
Burger	Gutknecht	Levi	Quist	Wigley
Cohen	Haukoos	Ludeman	Reif	Zaffke
Dempsey	Heap	Marsh	Rodriguez, C.	
DenOuden	Heinitz	McDonald	Schafer	
Dimler	Hokr	McKasy	Shaver	
Forsythe	Jennings	Olsen	Thiede	

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

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House File was introduced:

Rice, for the Committee on Appropriations, introduced:

H. F. No. 1308, A bill for an act relating to appropriations; reducing appropriations for the fiscal year ending June 30, 1983; appropriating money; amending Minnesota Statutes 1982, section 41.61, subdivision 1; 270.18; repealing Minnesota Statutes 1982, section 41.61, subdivisions 2 and 3.

The bill was read for the first time and laid over one day.

MESSAGES FROM THE SENATE

The following messages were received from the Senate:

Mr. Speaker:

I have the honor to announce that the Senate, pursuant to Joint Rule 2.05, has receded from its amendments to the following bill and is returning the bill to the House without amendments.

H. F. No. 381, A bill for an act relating to taxation; adopting certain federal provisions relating to income taxes; updating certain references to the Internal Revenue Code; adopting certain federal provisions relating to the determination of interest rates on taxes; imposing penalties; amending Minnesota Statutes 1982, sections 270.75, subdivision 5; 290.01, subdivisions 20, 20a, as amended, 20b, as amended, 20c, and 20f; 290.05, subdivision 6; 290.068, subdivisions 3 and 4; 290.09, subdivisions 2, 7, as amended, and 29; 290.091; 290.10; 290.135, subdivision 1, as amended; 290.16, subdivisions 7 and 16; 290.17, subdivision 1; 290.26, subdivision 2; 290.37, by adding a subdivision; 290.41, subdivisions 3, 8, and by adding a subdivision; 290.45, subdivision 1; 290.48, by adding a subdivision; 290.53, subdivision 2, and by adding subdivisions; 290.92, subdivisions 7, 13, 15, and by adding a subdivision; 290.93, subdivisions 9, 10, and 11; 290.-934, subdivision 4; 290.9725; 290.9726, subdivisions 5 and 6; 290.974; 290A.03, subdivision 3; proposing new law coded in Minnesota Statutes, chapter 290; repealing Minnesota Statutes 1982, section 290.01, subdivision 28.

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. 409, A bill for an act relating to liquor; restrictions upon joint purchases and volume discounts at wholesale; amending Minnesota Statutes 1982, sections 340.408; and 340.983.

PATRICK E. FLAHAVEN, Secretary of the Senate

Jacobs moved that the House refuse to concur in the Senate amendments to H. F. No. 409, 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. 280.

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. 280

A bill for an act relating to data privacy; establishing standards and procedures for the release of financial information; proposing new law coded as Minnesota Statutes, chapter 13A.

May 10, 1983

The Honorable Jerome M. Hughes
President of the Senate

The Honorable Harry A. Sieben, Jr.
Speaker of the House of Representatives

We, the undersigned conferees for S. F. No. 280, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments and S. F. No. 280, be amended as follows:

Page 1, line 9, before "For" insert:

"Subdivision 1. [SCOPE.]"

Renumber the subdivisions in sequence

Page 6, delete section 5 and insert:

"Sec. 5. [48.512] [PROCEDURES FOR OPENING CHECKING ACCOUNTS.]

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

(a) *"Financial intermediary" means any person doing business in this state who offers transaction accounts to the public.*

(b) *"Transaction account" means a deposit or account established and maintained by a natural person or persons under an individual or business name for personal, household, or business purposes, on which the depositor or account holder is permitted to make withdrawals by negotiable or transferable instruments, payment orders of withdrawal, or other similar device for the purpose of making payments or transfers to third persons or others, including demand deposits or accounts subject to check, draft, negotiable order of withdrawal, share draft, or other similar item. A transaction account does not include the deposit or account of a partnership having more than three partners, the personal representative of an estate, the trustee of a trust or a limited partnership.*

Subd. 2 [REQUIRED INFORMATION.] Before opening or authorizing signatory power over a transaction account, a financial intermediary shall require one applicant to provide the following information on an application document signed by the applicant:

- (a) *full name;*
- (b) *birth date;*
- (c) *address of residence;*
- (d) *address of current employment, if employed;*
- (e) *telephone numbers of residence and place of employment, if any;*
- (f) *social security number;*
- (g) *driver's license or identification card number issued pursuant to section 171.07. If the applicant does not have a driver's license or identification card, the applicant may provide an identification document number issued for identification purposes by any state, federal, or foreign government if the docu-*

ment includes the applicant's photograph, full name, birth date, and signature;

(h) whether the applicant has had a transaction account at the same or another financial intermediary within 12 months immediately preceding the application, and, if so, the name of the financial intermediary;

(i) whether the applicant has had a transaction account closed by a financial intermediary without the applicant's consent within 12 months immediately preceding the application, and, if so, the reason the account was closed; and

(j) whether the applicant has been convicted of a criminal offense because of the use of a check or other similar item within 24 months immediately preceding the application.

A financial intermediary may require an applicant to disclose additional information.

An applicant who makes a false material statement that he does not believe to be true in an application document with respect to information required to be provided by this subdivision is guilty of perjury. The financial intermediary shall notify the applicant of the provisions of this paragraph.

Subd. 3. [CONFIRM NO INVOLUNTARY CLOSING.] Before opening or authorizing signatory power over a transaction account, the financial intermediary shall attempt to verify the information disclosed for subdivision 2, clause (i). The financial intermediary may not open or authorize signatory power over a transaction account if (i) the applicant had a transaction account closed by a financial intermediary without his consent because of his issuance of dishonored checks within 12 months immediately preceding the application, or (ii) the applicant has been convicted of a criminal offense because of the use of a check or other similar item within 24 months immediately preceding the application.

If the transaction account is refused, the reasons for the refusal shall be given to the applicant in writing.

Subd. 4. [IDENTIFICATION IS REQUIRED.] A financial intermediary shall not open or authorize signatory power over a transaction account if none of the applicants provides a driver's license, identification card, or identification document as required by subdivision 2. When a minor is the applicant and the minor does not have a driver's license or identification card issued pursuant to section 171.07, the identification requirements of subdivision 2, clause (g), and this subdivision are satisfied if the minor's parent or guardian provides identification of his own that meets the identification requirement. The financial

intermediary may waive the identification requirement if the applicant has had another type of account with the financial intermediary for at least one year immediately preceding the time of application.

Subd. 5. [NO LIABILITY.] The requirements of this section do not impose any liability on financial intermediaries offering transaction accounts or, except as provided in subdivisions 3 and 4, limit a financial intermediary's discretion as to whether to grant or deny an application subject to this section.

[WORTHLESS CHECK COLLECTIONS]

Sec. 6. [332.50] [CIVIL LIABILITY FOR ISSUANCE OF WORTHLESS CHECK.]

Subdivision 1. [DEFINITIONS.] "Check" means a check, draft, order of withdrawal, or similar negotiable or nonnegotiable instrument.

"Credit" means an arrangement or understanding with the drawee for the payment of the check.

Subd. 2. [ACTS CONSTITUTING.] Whoever issues any check that is dishonored and is not paid within 30 days after mailing a notice of dishonor and a copy of sections 6 and 609.535 in compliance with subdivision 3, is liable to the holder for the amount of the check plus a civil penalty of up to \$100, interest at the rate payable on judgments pursuant to section 549.09 on the face amount of the check from the date of dishonor, reasonable attorney fees if the amount of the check is over \$1,250, and a service charge not exceeding \$15 if written notice of the service charge was conspicuously displayed on the premises when the check was issued.

This subdivision prevails over any provision of law limiting, prohibiting, or otherwise regulating service charges authorized by this subdivision.

Subd. 3. [NOTICE OF DISHONOR REQUIRED.] Notice of nonpayment or dishonor and a copy of sections 6 and 609.535 shall be sent by the payee or holder of the check to the drawer by certified mail, return receipt requested, or by regular mail, supported by an affidavit of service by mailing, to the address printed or written on the check. The issuance of a check with an address printed or written on it is a representation by the drawer that the address is the correct address for receipt of mail concerning the check. Failure of the drawer to receive a regular or certified mail notice sent to that address is not a defense to liability under this section, if the drawer has had actual notice for 30 days that the check has been dishonored.

An affidavit of service by mailing shall be retained by the payee or holder of the check.

Subd. 4. [PROOF OF IDENTITY.] The check is prima facie evidence of the identity of the drawer if the person receiving the check:

(a) records the following information about the drawer on the check, unless it is printed on the face of the check:

(1) name;

(2) home or work address;

(3) home or work telephone number; and

(4) identification number issued pursuant to section 171.07;

(b) compares the drawer's physical appearance, signature, and the personal information recorded on the check with the drawer's identification card issued pursuant to section 171.07; and

(c) initials the check to indicate compliance with these requirements.

Subd. 5. [DEFENSES.] Any defense otherwise available to the drawer also applies to liability under this section.

Sec. 7. Minnesota Statutes 1982, section 487.30, subdivision 4, is amended to read:

*Subd. 4. [JURISDICTION; (WORTHLESS) DISHONORED CHECKS.] The conciliation court has jurisdiction to determine a civil action commenced by a plaintiff, resident of the county, to recover the amount of a (WORTHLESS) *dishonored* check issued in the county (WITHIN THE MEANING OF SECTION 609.535, NOTWITHSTANDING THAT) *even though* the defendant or defendants are not residents of the county (PROVIDED THAT), *if* the notice of nonpayment or dishonor (REQUIRED BY) *described in* section 609.535, subdivision 3, is sent to the maker or drawer as specified therein and the notice states that the payee or holder of the check (OR OTHER ORDER OF PAYMENT OF MONEY) may commence a conciliation court action in the county where the (WORTHLESS) *dishonored* check was issued to recover the amount of the check. This subdivision does not apply to a check (OR OTHER ORDER FOR PAYMENT OF MONEY) that has been dishonored by a stop payment order. Notwithstanding any law or rule of civil procedure to the contrary, the summons in any action commenced under this subdivision may be served anywhere within the state of Minnesota. The conciliation court clerk shall attach a copy of*

the dishonored check (OR OTHER ORDER FOR PAYMENT OF MONEY) to the summons before it is issued.

Sec. 8. Minnesota Statutes 1982, section 488A.12, subdivision 3, is amended to read:

Subd. 3. [JURISDICTION.] (a) Excepting actions involving title to real estate, the court has jurisdiction to hear, conciliate, try, and determine civil actions at law where the amount in controversy does not exceed the sum of \$1,250. The territorial jurisdiction of the court is coextensive with the geographic boundaries of the county of Hennepin.

(b) Notwithstanding the provisions of (CLAUSE) *paragraph* (a), or any rule of court to the contrary, the conciliation court of Hennepin county has jurisdiction to determine an action brought pursuant to section 504.20 for the recovery of a deposit on rental property located in whole or in part in Hennepin county, and the summons in the action may be served anywhere within the state of Minnesota.

(c) Notwithstanding the provisions of (CLAUSE) *paragraph* (a), or any rule of court to the contrary, the conciliation court of Hennepin county has jurisdiction to determine a civil action commenced by a plaintiff, a resident of Hennepin county, to recover the amount of a (WORTHLESS) *dishonored* check issued in the county (WITHIN THE MEANING OF SECTION 609.535), (NOTWITHSTANDING THAT) *even though* the defendant or defendants are not residents of Hennepin county (PROVIDED THAT), *if* the notice of nonpayment or dishonor (REQUIRED BY) *described in* section 609.535, subdivision 3, is sent to the maker or drawer as specified therein and the notice states that the payee or holder of the check (OR OTHER ORDER OF PAYMENT OF MONEY) may commence a conciliation court action in the county where the (WORTHLESS) *dishonored* check was issued to recover the amount of the check. This clause does not apply to a check (OR OTHER ORDER FOR PAYMENT OF MONEY) that has been dishonored by a stop payment order. Notwithstanding any law or rule of civil procedure to the contrary, the summons in any action commenced under this clause may be served anywhere within the state of Minnesota. The conciliation court administrator shall attach a copy of the dishonored check (OR OTHER ORDER FOR PAYMENT OF MONEY) to the summons before it is issued.

Sec. 9. Minnesota Statutes 1982, section 488A.29, subdivision 3, is amended to read:

Subd. 3. [JURISDICTION.] (a) Excepting actions involving title to real estate, the court has jurisdiction to hear, conciliate, try and determine civil actions at law where the amount in controversy does not exceed the sum of \$1,250. The

territorial jurisdiction of the court is coextensive with the geographic boundaries of the county of Ramsey.

(b) Notwithstanding the provisions of (CLAUSE) *paragraph* (a) or any rule of court to the contrary, the conciliation court of Ramsey county has jurisdiction to determine an action brought pursuant to section 504.20 for the recovery of a deposit on rental property located in whole or in part in Ramsey county, and the summons in the action may be served anywhere in the state of Minnesota.

(c) Notwithstanding the provisions of (CLAUSE) *paragraph* (a) or any rule of court to the contrary, the conciliation court of Ramsey county has jurisdiction to determine a civil action commenced by a plaintiff, resident of Ramsey county, to recover the amount of a (WORTHLESS) *dishonored* check issued in the county (WITHIN THE MEANING OF SECTION 609.535), (NOTWITHSTANDING THAT) *even though* the defendant or defendants are not residents of Ramsey county (PROVIDED THAT), *if* the notice of nonpayment or dishonor (REQUIRED BY) *described in* section 609.535, subdivision 3, is sent to the maker or drawer as specified therein and the notice states that the payee or holder of the check (OR OTHER ORDER OF PAYMENT OF MONEY) may commence a conciliation court action in the county where the (WORTHLESS) *dishonored* check was issued to recover the amount of the check. This clause does not apply to a check (OR OTHER ORDER FOR THE PAYMENT OF MONEY) that has been dishonored by a stop payment order. Notwithstanding any law or rule of civil procedure to the contrary, the summons in any action commenced under this clause may be served anywhere within the state of Minnesota. The conciliation court administrator shall attach a copy of the dishonored check (OR OTHER ORDER FOR PAYMENT OF MONEY) to the summons before it is issued.

Sec. 10. Minnesota Statutes 1982, section 609.535, is amended to read:

609.535 [ISSUANCE OF (WORTHLESS) *DISHONORED* CHECKS.]

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

(a) "Check" means a check, draft, order of withdrawal, or similar negotiable or nonnegotiable instrument.

(b) "Credit" means an arrangement or understanding with the drawee for the payment of (THE) a check (OR OTHER ORDER FOR THE PAYMENT OF MONEY TO WHICH THIS SECTION APPLIES).

Subd. 2. [ACTS CONSTITUTING.] Whoever issues (ANY) a check (OR OTHER ORDER FOR THE PAYMENT OF MONEY) which, at the time of issuance, he intends shall not be paid, is guilty of a misdemeanor. In addition, restitution may be ordered by the court.

Subd. 3. [PROOF OF INTENT.] Any of the following is evidence sufficient to sustain a finding that the person at the time he issued the check (OR OTHER ORDER FOR THE PAYMENT OF MONEY,) intended it should not be paid:

(1) Proof that, at the time of issuance, he did not have an account with the drawee; (OR)

(2) Proof that, at the time of issuance, he did not have sufficient funds or credit with the drawee and that he failed to pay the check (OR OTHER ORDER) within five business days after mailing of notice of nonpayment or dishonor as provided in this subdivision; or

(3) Proof that, when presentment was made within a reasonable time, the issuer did not have sufficient funds or credit with the drawee and that he failed to pay the check (OR OTHER ORDER) within five business days after mailing of notice of nonpayment or dishonor as provided in this subdivision.

Notice of nonpayment or dishonor *and a copy of this section* shall be sent by the payee or holder of the check to the maker or drawer by certified mail, return receipt requested, or by regular mail, supported by an affidavit of service by mailing, to the address printed on the check. Refusal by the maker or drawer of the check to accept certified mail notice or failure to claim certified or regular mail notice (SHALL) is not (CONSTITUTE) a defense that notice was not received.

The notice may state that unless the check is paid in full within five business days after mailing of the notice of (NON-PAYMENT) *nonpayment* or dishonor, the payee or holder of the check (OR OTHER ORDER FOR THE PAYMENT OF MONEY) will or may refer the matter to proper authorities for prosecution under this section.

An affidavit of service by mailing shall be retained by the payee or holder of the check.

Subd. 4. [PROOF OF LACK OF FUNDS OR CREDIT.] If the check (OR OTHER ORDER FOR THE PAYMENT OF MONEY) has been protested, the notice of protest (THEREOF) is admissible as proof of presentation, nonpayment, and protest, and is evidence sufficient to sustain a finding that there was a lack of funds or credit with the drawee.

Subd. 5. [EXCEPTIONS.] This section does not apply to a postdated check or to a check given for a past consideration, except a payroll check or a check issued to a fund for employee benefits.

Subd. 6. [RELEASE OF ACCOUNT INFORMATION TO LAW ENFORCEMENT AUTHORITIES.] A drawee shall (NOT BE LIABLE IN A CIVIL OR CRIMINAL PROCEEDING FOR RELEASING) *release* the information specified below to any state, county, or local law enforcement or prosecuting authority which (FIRST) certifies in writing that it is investigating or prosecuting a complaint against the drawer under this section or section 609.52, subdivision 2, clause (3)(a), and that 15 days have elapsed since the mailing of the notice of *dishonor* required by (SUBDIVISION) *subdivisions 3 and 8*. This subdivision applies to the following information relating to the drawer's account:

(1) Documents relating to the opening of the account by the drawer;

(2) (CORRESPONDENCE BETWEEN THE DRAWER AND THE DRAWEE RELATING TO THE STATUS OF THE ACCOUNT) *Notices regarding nonsufficient funds, overdrafts, and the dishonor of any check drawn on the account within a period of six months of the date of request;*

(3) Periodic statements mailed to the drawer by the drawee for the periods immediately prior to, during, and subsequent to the issuance of any check (OR OTHER ORDER FOR THE PAYMENT OF MONEY) which is the subject of the investigation or prosecution; or

(4) The last known home and business addresses and telephone numbers of the drawer.

The drawee shall release all of the information described in clauses (1) to (4) that it possesses within ten days after receipt of a request conforming to all of the provisions of this subdivision. The drawee may impose a reasonable fee for the cost for furnishing this information to law enforcement or prosecuting authorities, not to exceed 15 cents per page.

A drawee is not liable in a criminal or civil proceeding for releasing information in accordance with this subdivision.

Subd. 7. [RELEASE OF ACCOUNT INFORMATION TO PAYEE OR HOLDER.] (IF THERE IS A WRITTEN REQUEST TO A DRAWEE FROM A PAYEE OR HOLDER OF A CHECK OR OTHER ORDER FOR THE PAYMENT OF MONEY THAT HAS BEEN DISHONORED OTHER THAN BY A STOP PAYMENT ORDER, WHICH REQUEST IS

ACCOMPANIED BY A COPY OF THE DISHONORED CHECK OR OTHER ORDER FOR PAYMENT OF MONEY, THE) A drawee (IS NOT LIABLE IN A CIVIL OR CRIMINAL PROCEEDING FOR RELEASING) shall release the information specified in clauses (1) and (2) to the payee or holder (ANY) of a check that has been dishonored who makes a written request for this information and states in writing that the check has been dishonored and that 30 days have elapsed since the mailing of the notice described in subdivision 8 and who accompanies this request with a copy of the dishonored check and a copy of the notice of dishonor.

The requesting payee or holder shall notify the drawee immediately to cancel this request if payment is made before the drawee has released this information.

This subdivision applies to the following information relating to the drawer's account:

(1) Whether at the time the check (OR OTHER ORDER FOR PAYMENT OF MONEY) was issued or presented for payment the drawer had sufficient funds or credit with the drawee, and whether at that time the account was open, closed, or restricted for any reason and the date it was closed or restricted; and

(2) The last known home (AND BUSINESS ADDRESSES) address and telephone (NUMBERS) number of the drawer. A drawee may be liable in a civil or criminal proceeding for releasing the business address or business telephone number of the drawer to the payee or holder.

The drawee shall release all of the information described in clauses (1) and (2) that it possesses within ten days after receipt of a request conforming to all of the provisions of this subdivision. The drawee may require the person requesting the information to pay the reasonable costs, not to exceed 15 cents per page, of reproducing and mailing the requested information.

A drawee is not liable in a criminal or civil proceeding for releasing information in accordance with this subdivision.

Subd. 8. [NOTICE.] The provisions of subdivisions 6 and 7 are not applicable unless the notice to the maker or drawer required by subdivision 3 states that if the check (OR OTHER ORDER FOR THE PAYMENT OF MONEY) is not paid in full within five business days after mailing of the notice, the drawee (MAY) will be authorized to release information relating to the account to the payee or holder of the check (OR OTHER ORDER FOR THE PAYMENT OF MONEY) and may also release this information to law enforcement or prosecuting authorities.

Sec. 11. [REPEALER.]

Minnesota Statutes 1982, section 48.511, is repealed.

Sec. 12. [EFFECTIVE DATE.]

Sections 1 to 4 are effective January 1, 1984. Sections 5 to 11 are effective August 1, 1983."

Delete the title and insert:

"A bill for an act relating to commerce; establishing standards and procedures for the release of financial information; establishing procedures for opening checking accounts; providing for civil liability for issuance of dishonored checks; clarifying conciliation court jurisdiction for actions on dishonored checks; requiring release of certain account information to check holders and law enforcement authorities; amending Minnesota Statutes 1982, sections 487.30, subdivision 4; 488A.12, subdivision 3; 488A.29, subdivision 3; and 609.535; proposing new law coded in Minnesota Statutes, chapters 48 and 332; proposing new law coded as Minnesota Statutes, chapter 13A; repealing Minnesota Statutes 1982, section 48.511."

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

Senate Conferees: GENE MERRIAM, MARILYN M. LANTRY, ALLAN H. SPEAR, ERIC D. PETTY and DEAN E. JOHNSON.

House Conferees: JOE QUINN, RANDY C. KELLY, TERRY DEMPSEY, ALAN WELLE and BOB WALTMAN.

Quinn moved that the report of the Conference Committee on S. F. No. 280 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

S. F. No. 280, A bill for an act relating to data privacy; establishing standards and procedures for the release of financial information; proposing new law coded as Minnesota Statutes, chapter 13A.

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.

Vanasek moved that those not voting be excused from voting. The motion prevailed.

There were 131 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Evans	Kostohryz	Pauly	Skoglund
Anderson, G.	Findlay	Krueger	Peterson	Solberg
Anderson, R.	Fjoslien	Kvam	Piepho	Sparby
Battaglia	Forsythe	Larsen	Piper	Stadum
Beard	Frerichs	Levi	Price	Swiggum
Begich	Graba	Long	Quinn	Swanson
Bennett	Greenfield	Ludeman	Quist	Thiede
Bergstrom	Gruenes	Mann	Redalen	Tomlinson
Berkelman	Gustafson	Marsh	Reif	Tunheim
Bishop	Gutknecht	McDonald	Rice	Uphus
Blatz	Halberg	McEachern	Riveness	Valan
Brandl	Haukoos	McKasy	Rodosovich	Valento
Brinkman	Heap	Metzen	Rodriguez, C.	Vanasek
Burger	Heinitz	Minne	Rodriguez, F.	Vellenga
Carlson, L.	Himle	Munger	Rose	Voss
Clark, J.	Hoberg	Murphy	St. Onge	Waltman
Clark, K.	Hoffman	Nelson, D.	Sarna	Welch
Clawson	Hokr	Nelson, K.	Schafer	Welker
Cohen	Jacobs	Ncuenschwander	Scheid	Wenzel
Coleman	Jennings	Norton	Schoenfeld	Wigley
Dempsey	Jensen	O'Connor	Schreiber	Wynia
DenOuden	Johnson	Ogren	Seaberg	Zaffke
Dimler	Kahn	Olsen	Segal	Speaker Sieben
Eken	Kalis	Omann	Shaver	
Elioff	Kelly	Onnen	Shea	
Ellingson	Knickerbocker	Osthoff	Sherman	
Erickson	Knuth	Otis	Simoneau	

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

Eken 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.

Staten and Wigley were excused for the remainder of today's session.

MESSAGES FROM THE SENATE, Continued

Mr. Speaker:

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

S. F. No. 695.

PATRICK E. FLAHAVEN, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 695, A bill for an act relating to public welfare; requiring new procedures for determining nursing home payment rates; requiring a moratorium on certification or welfare licensure of new beds with certain exceptions; providing for an interagency board for quality assurance; appropriating money; amending Minnesota Statutes 1982, sections 144A.10, subdivisions 4, 6, and by adding a subdivision; 256B.091, subdivisions 1, 2, 4, and 8; 256B.41; 256B.47; and 256B.48; proposing new law coded in Minnesota Statutes 1982, chapters 144A and 256B; repealing Minnesota Statutes 1982, sections 256B.42; 256B.43; 256B.44; 256B.45; and 256B.46; and 12 MCAR 2.049.

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, Clawson moved that the rule therein be suspended and an urgency be declared so that S. F. No. 695 be given its second and third readings and be placed upon its final passage. The motion prevailed.

Clawson moved that the rules of the House be so far suspended that S. F. No. 695 be given its second and third readings and be placed upon its final passage. The motion prevailed.

S. F. No. 695 was read for the second time.

Bishop was excused while in conference.

S. F. No. 695 was reported to the House.

Clawson moved to amend S. F. No. 695 as follows:

Delete everything after the enacting clause and insert:

"Section 1. [144A.071] [MORATORIUM ON CERTIFICATION OF NURSING HOME BEDS.]

Subdivision 1. [FINDINGS.] The legislature finds that control of expenditures for nursing home care is more difficult due to construction of more nursing home facilities, the addition of more nursing home beds to the long-term care system, and the increased certification of skilled nursing facility beds. Increases in facilities and beds, especially skilled nursing facility beds, leads to greatly increased expenditures now and into the future and inhibits the development of a comprehensive long-term care policy that includes a continuum of care.

Subd. 2. [MORATORIUM.] Notwithstanding the provisions of the Certificate of Need Act, sections 145.832 to 145.845, or any other law to the contrary, the commissioner of health, in coordination with the commissioner of public welfare, shall deny each request by a nursing home or boarding care home for addition of new certified beds or for a change or changes in the certification status of existing beds except as provided in subdivision 2 during a period of three years beginning on the effective date of this section and ending on June 30, 1986. The total number of certified beds in the state in the skilled level and in the intermediate level of care shall remain at or decrease from the number of beds certified at each level of care on the effective date of this section until June 30, 1986. "Certified bed" means a nursing home bed or a boarding care bed certified by the commissioner of health for the purposes of the medical assistance program, under United States Code, title 42, section 1396 et seq.

The commissioner of public welfare, in coordination with the commissioner of health, shall deny any request to issue a license under the provisions of sections 245.781 to 245.812 and 252.28 to a nursing home or boarding care home if that license would result in an increase in the medical assistance reimbursement amount.

Subd. 3. [EXCEPTIONS.] The commissioner of health, in coordination with the commissioner of welfare, may approve the addition of a new certified bed or change in the certification status of an existing bed under the following conditions:

(a) To replace a bed decertified after the effective date of this section or if the commissioner finds an extreme hardship situation in a particular county that has fewer nursing home beds per 1,000 elderly than the number that is ten percent higher than the national average of nursing home beds per 1,000 elderly individuals. For the purposes of this section, the national average of nursing home beds shall be the most recent figure that can be supplied by the federal health care financing administration and the number of elderly in the county or the nation shall be determined by the most recent federal census or estimate of the state demographer of persons age 65 and older, whichever is the most recent at the time of the request for replacement. In allowing replacement of a decertified bed, the commissioners shall ensure that the number of added or recertified beds does not exceed the total number of decertified beds in the state in that level of care. An extreme hardship situation can only be found after the county documents the existence of unmet medical or religious dietary needs that cannot be addressed by any other alternatives; or

(b) To certify a new bed in a facility that commenced construction before the effective date of this section. For the purposes of this section, "commenced construction" means that all

of the following conditions were met: the final working drawings and specifications were submitted to the commissioner of health; the construction contracts were let; a timely construction schedule was developed, stipulating dates for beginning, achieving various stages, and completing construction; and all zoning and building permits were secured;

(c) When the change in certification status results in a decrease in the reimbursement amount;

(d) To certify a new bed in a facility for which a certificate of need was issued prior to the effective date of this section, provided conditions of the certificate include requirements that at least one-third of the beds be licensed and certified short-stay beds and that the applicant construct and operate on a concurrent time schedule with the nursing home a congregate housing program for the elderly upon a single site; or

(e) To replace a decertified bed or certify a new bed or a change in certification level in state facilities established pursuant to chapters 252 and 253.

Subd. 4. [MONITORING.] The commissioner of health, in coordination with the commissioner of public welfare, shall implement mechanisms to monitor and analyze the effect of the moratorium in the different geographic areas of the state. The commissioner of health shall submit to the legislature, no later than January 15, 1984, and annually thereafter, an assessment of the impact of the moratorium by geographic area with particular attention to service deficits or problems and a corrective action plan.

Sec. 2. Minnesota Statutes 1982, section 144A.10, subdivision 6, is amended to read:

Subd. 6. [FINES.] A nursing home which is issued a notice of noncompliance with a correction order shall be assessed a civil fine in accordance with a schedule of fines to be promulgated by rule of the commissioner of health before September 1, 1983. The fine shall be assessed for each day the facility remains in noncompliance and until a notice of correction is received by the commissioner of health in accordance with subdivision 7. No fine for a specific violation may exceed (\$250) \$500 per day of noncompliance.

Sec. 3. [144A.31] [INTERAGENCY BOARD FOR QUALITY ASSURANCE.]

Subdivision 1. [INTERAGENCY BOARD.] The commissioners of health and public welfare shall establish, by July 1, 1983, an interagency board of employees of their respective departments who are knowledgeable and employed in the areas of

long-term care, geriatric care, long-term care facility inspection, or quality of care assurance. The number of interagency board members shall not exceed seven; three members each to represent the commissioners of health and public welfare and one member to represent the commissioner of public safety in the enforcement of fire and safety standards in nursing homes. The commissioner of health shall serve as chair and convener of the board. The board may utilize the expertise and time of other individuals employed by either department as needed. The board may recommend to the commissioners to contract for services as needed. The board shall meet as often as necessary to accomplish its duties, but at least monthly.

Subd. 2. [INSPECTIONS.] No later than January 1, 1984, the board shall develop and recommend implementation and enforcement of an effective system to ensure quality of care in each nursing home in the state.

The board shall assist the commissioner of health to ensure that inspections and reinspections of nursing homes are conducted with a frequency and in a manner calculated to most effectively and appropriately fulfill its quality assurance responsibilities and achieve the greatest benefit to nursing home residents. The commissioner of health shall require a higher frequency and extent of inspections with respect to those nursing homes that present the most serious concerns with respect to resident health, treatment, comfort, safety, and well-being. These concerns include but are not limited to: a history of complaints about care, safety, or rights; situations where previous inspections or reinspections have resulted in correction orders related to care, safety, or rights; instances of frequent change in administration in excess of normal turnover rates; and situations where persons involved in ownership or administration of the nursing home have been convicted of engaging in criminal activity. A nursing home that presents none of these concerns or any other concern or condition established by the board that poses a risk to resident care, safety, or rights shall be inspected once every two years for compliance with key requirements as determined by the board.

The board shall develop and recommend to the commissioners mechanisms beyond the inspection process to protect resident care, safety, and rights, including but not limited to coordination with the office of health facility complaints and the nursing home ombudsman program.

Subd. 3. [METHODS FOR DETERMINING RESIDENT CARE NEEDS.] The board shall develop and recommend to the commissioners definitions for levels of care and methods for determining resident care needs for implementation on July 1, 1985 in order to adjust payments for resident care based on the mix of resident needs in a nursing home. The methods for determining resident care needs shall include assessments of

ability to perform activities of daily living and assessments of medical and therapeutic needs.

Subd. 4. [ENFORCEMENT.] The board shall develop and recommend for implementation effective methods of enforcing quality of care standards. When it deems necessary, and when all other methods of enforcement are not appropriate, the board shall recommend to the commissioner of health closure of all or part of a nursing home and revocation of the license. The board shall develop, and the commissioner of public welfare shall implement, a resident relocation plan which instructs the county where the nursing home is located of procedures to ensure that the needs of residents in nursing homes about to be closed are met. The county shall ensure placement in swing beds in hospitals, placement in unoccupied beds in other nursing homes, utilization of home health care on a temporary basis, foster care placement, or other appropriate alternative care. In preparing for relocation, the board shall ensure that residents and their families or guardians are involved in planning the relocation.

Subd. 5. [REPORTS.] The board shall prepare a report and the commissioners of health and public welfare shall deliver this report to the legislature no later than January 15, 1984, on the board's proposals and progress on implementation of the methods required under subdivisions 2, 3, and 4. The commissioners shall recommend changes in or additions to legislation necessary or desirable to fulfill their responsibilities. The board shall prepare an annual report and the commissioners shall deliver this report annually to the legislature, beginning in January, 1985, on the implementation and enforcement of the provisions of this section.

Sec. 4. Minnesota Statutes 1982, section 256B.091, subdivision 1, is amended to read:

Subdivision 1. [PURPOSE.] It is the purpose of this section to prevent inappropriate nursing home or boarding care home placement by establishing a program of preadmission screening teams for all medical assistance recipients and any individual who would become eligible for medical assistance within (90) 180 days of admission to a licensed nursing home or boarding care home participating in the program. Further, it is the purpose of this section and the program to gain further information about how to contain costs associated with inappropriate nursing home or boarding care home admissions. The commissioners of public welfare and health shall seek to maximize use of available federal and state funds and establish the broadest program possible within the appropriation available. The commissioner of public welfare shall promulgate temporary rules in order to implement this section by September 1, 1980.

Sec. 5. Minnesota Statutes 1982, section 256B.091, subdivision 2, is amended to read:

Subd. 2. [SCREENING TEAMS; ESTABLISHMENT.] Each county agency designated by the commissioner of public welfare to participate in the program shall contract with the local board of health organized under section 145.911 to 145.922 or other public or non-profit agency to establish a screening team to assess, prior to admission to a nursing home licensed under section 144A.02 or a boarding care home licensed under sections 144.50 to 144.56, the health and social needs of medical assistance recipients and individuals who would become eligible for medical assistance within (90) 180 days of nursing home or boarding care home admission. Each local screening team shall be composed of a public health nurse from the local public health nursing service and a social worker from the local community welfare agency. Each screening team shall have a physician available for consultation and shall utilize individuals' attending physicians' physical assessment forms, if any, in assessing needs. The individual's physician shall be included on the screening team if the physician chooses to participate. If the individual is being discharged from an acute care facility, a discharge planner from that facility may be present, at the facility's request, during the screening team's assessment of the individual and may participate in discussions but not in making the screening team's recommendations under subdivision 3, clause (e). If the assessment procedure or screening team recommendation results in a delay of the individual's discharge from the acute care facility, the facility shall not be denied reimbursement or incur any other financial or regulatory penalty caused by the individual's extended length of stay. Other personnel as deemed appropriate by the county agency may be included on the team. No member of a screening team shall have a direct or indirect financial or self-serving interest in a nursing home or non-institutional referral such that it would not be possible for the member to consider each case objectively.

Sec. 6. Minnesota Statutes 1982, section 256B.091, subdivision 4, is amended to read:

Subd. 4. [SCREENING OF PERSONS.] Prior to nursing home or boarding care home admission, or admission to a nursing home after residence in a boarding care home that is not attached to the nursing home, screening teams shall assess the needs of all persons receiving medical assistance and of all persons who would be eligible for medical assistance within (90) 180 days of admission to a nursing home or boarding care home, except patients transferred from other nursing homes or patients who, having entered acute care facilities from nursing homes, are returning to nursing home care. Any other interested person may be assessed by a screening team upon payment of a fee based upon a sliding fee scale.

Sec. 7. Minnesota Statutes 1982, section 256B.091, subdivision 8, is amended to read:

Subd. 8. [ALTERNATIVE CARE GRANTS.] The commissioner shall provide grants to counties participating in the

program to pay costs of providing alternative care to individuals screened under subdivision 4. Payment is available under this subdivision only for individuals (1) for whom the screening team would recommend nursing home admission if alternative care were not available; (2) who are receiving medical assistance or who would be eligible for medical assistance within (90) 180 days of admission to a nursing home; and (3) who need services that are not available at that time in the county through other public assistance.

Grants may be used for payment of costs of providing services such as, but not limited to, foster care for elderly persons, day care whether or not offered through a nursing home, nutritional counseling, or medical social services, which services are provided by a licensed health care provider, a home health service eligible for reimbursement under Titles XVIII and XIX of the federal Social Security Act, or by persons employed by or contracted with by the county board or the local welfare agency. The county agency shall ensure that a plan of care is established for each individual in accordance with subdivision 3, clause (e)(2). The plan shall include any services prescribed by the individual's attending physician as necessary and follow up services as necessary. The county agency shall provide documentation to the commissioner verifying that the individual's alternative care is not available at that time through any other public assistance or service program and shall provide documentation in each individual's plan of care that the most cost effective alternatives available have been offered to the individual. Grants to counties under this subdivision are subject to audit by the commissioner for fiscal and utilization control.

The commissioner shall establish a sliding fee schedule for requiring payment for the cost of providing services under this subdivision to persons who are eligible for the services but who are not yet eligible for medical assistance.

The commissioner shall apply for a waiver for federal financial participation to expand the availability of services under this subdivision. The commissioner shall provide grants to counties from the non-federal share, unless the commissioner obtains a federal waiver for medical assistance payments, of medical assistance appropriations. The state expenditures for this section shall not exceed \$1,800,000 for the biennium ending June 30, 1983. A county agency may use grant money to supplement but not supplant services available through other public assistance or service programs and shall not use grant money to establish new programs for which public money is available through sources other than grants provided under this subdivision. A county agency shall not use grant money to provide care under this subdivision to an individual if the anticipated cost of providing this care would exceed the average payment, as determined by the commissioner, for the level of nursing home care that the recipient would receive if placed in a nursing home.

The non-federal share may be used to pay up to 90 percent of the start-up and service delivery costs of providing care under this subdivision. Each county agency that receives a grant shall pay 10 percent of the costs.

The commissioner shall promulgate temporary rules in accordance with sections 14.29 to 14.36, to establish required documentation and reporting of care delivered.

Sec. 8. Minnesota Statutes 1982, section 256B.41, is amended to read:

256B.41 [INTENT.]

Subdivision 1. [AUTHORITY.] The (STATE AGENCY) commissioner shall (BY RULE) establish (A FORMULA), by rule, procedures for (ESTABLISHING PAYMENT) determining equitable rates for care of residents of nursing homes which qualify as vendors of medical assistance, and for implementing the provisions of sections 256B.41, 256B.47, 256B.48, and sections 9, 10, 13, and 14. The procedures shall be based on methods and standards that the commissioner finds are adequate to provide for the costs that must be incurred for the care of residents in efficiently and economically operated nursing homes and shall specify the costs that are allowable for establishing payment rates through medical assistance.

Subd. 2. [FEDERAL REQUIREMENTS.] (IT IS THE INTENT OF THE LEGISLATURE TO ESTABLISH CERTAIN LIMITATIONS ON THE STATE AGENCY IN SETTING STANDARDS FOR NURSING HOME RATE SETTING FOR THE CARE OF RECIPIENTS OF MEDICAL ASSISTANCE PURSUANT TO THIS CHAPTER. IT IS NOT THE INTENT OF THE LEGISLATURE TO REPEAL OR CHANGE ANY EXISTING OR FUTURE RULE PROMULGATED BY THE STATE AGENCY RELATING TO THE SETTING OF RATES FOR NURSING HOMES UNLESS THE RULE IS CLEARLY IN CONFLICT WITH SECTIONS 256B.41 TO 256B.48.) If any provision of sections 256B.41 (TO), 256B.47, and 256B.48 and sections 9, 10, 13, and 14, is determined by the United States government to be in conflict with existing or future requirements of the United States government with respect to federal participation in medical assistance, the federal requirements shall prevail.

Sec. 9. [256B.421] [DEFINITIONS.]

Subdivision 1. [SCOPE.] For the purposes of sections 256B.41, 256B.47, 256B.48, and sections 9, 10, 13, and 14, the following terms and phrases shall have the meaning given to them.

Subd. 2. [COMMISSIONER.] "Commissioner" means the commissioner of public welfare.

Subd. 3. [FINAL RATE.] "Final rate" means the rate established after any adjustment by the commissioner, including but not limited to adjustments resulting from cost report reviews and field audits.

Subd. 4. [DEPRECIATED REPLACEMENT COST METHOD.] "Depreciated replacement cost method" means the appraisal method which figures the amount required to obtain a new asset of equivalent capacity or utility to that which exists and from which there is a deduction for depreciation which includes physical deterioration and functional obsolescence.

Subd. 5. [GENERAL AND ADMINISTRATIVE COSTS.] "General and administrative costs" means all allowable costs for administering the facility, including but not limited to: salaries of administrators, assistant administrators, medical directors, accounting personnel, data processing personnel, and all clerical personnel; board of directors fees; business office functions and supplies; travel; telephone and telegraph; advertising; licenses and permits; membership dues and subscriptions; postage; insurance, except as included as a fringe benefit under subdivision 13; professional services such as legal, accounting and data processing services; central or home office costs; management fees; management consultants; employee training, for any top management personnel and for other than direct resident care related personnel; and business meetings and seminars. These costs shall be included in general and administrative costs in total, without direct or indirect allocation to other cost categories.

In a nursing home of 60 or fewer beds, part of an administrator's salary may be allocated to other cost categories to the extent justified in records kept by the nursing home. Central or home office costs representing services of required consultants in areas including, but not limited to, dietary, pharmacy, social services, or activities may be allocated to the appropriate department, but only if those costs are directly identified by the nursing home.

Subd. 6. [NURSING HOME.] "Nursing home" means a facility licensed under chapter 144A or a boarding care facility licensed under sections 144.50 to 144.56.

Subd. 7. [OPERATING COSTS.] "Operating costs" means the day-to-day costs of operating the facility in compliance with licensure and certification standards. Operating cost categories are: nursing, dietary, laundry and linen, housekeeping, plant operation and maintenance, other care-related services, general and administration, and payroll taxes and fringe benefits.

Subd. 8. [PAYMENT RATE.] "Payment rate" means the rate determined under section 10.

Subd. 9. [PRIVATE PAYING RESIDENT.] "Private paying resident" means a nursing home resident who is not a medical assistance recipient and whose payment rate is not established by another third party, including the veterans administration or medicare.

Subd. 10. [RATE YEAR.] "Rate year" means the fiscal year for which a payment rate determined under section 10 is effective, from July 1 to the next June 30.

Subd. 11. [REPORTING YEAR.] "Reporting year" means the period from October 1 to September 30, immediately preceding the rate year, for which the nursing home submits reports required under section 256B.48, subdivision 2.

Subd. 12. [RESIDENT DAY.] "Actual resident day" means a billable, countable day for which a full and normal billing is rendered as defined by the commissioner.

Sec. 10. [256B.431] [RATE DETERMINATION.]

Subdivision 1. [IN GENERAL.] The commissioner shall determine prospective payment rates for resident care costs. In determining the rates, the commissioner shall group nursing homes according to different levels of care as defined by the commissioner and geographic location. The commissioner shall consider the use of the standard metropolitan statistical areas when developing groups by geographic location. Until groups are established according to mix of resident needs, the commissioner shall group all convalescent and nursing care units attached to hospitals into one group for purposes of determining reimbursement for operating costs. On or before June 1, 1983, the commissioner shall mail notices to each nursing home of the rates to be effective from July 1 of that year to June 30 of the following year. In subsequent years, the commissioner shall provide notice to each nursing home on or before May 1 of the rates effective for the following rate year. If a statute enacted after May 1 affects the rates, the commissioner shall provide a revised notice to each nursing home as soon as possible.

Subd. 2. [OPERATING COSTS.] (a) The commissioner shall establish, by rule, procedures for determining per diem reimbursement for operating costs based on actual resident days and for reserved bed days. The commissioner shall disallow any portion of the general and administrative cost category, exclusive of fringe benefits and payroll taxes, which exceeds

11 percent for nursing homes with more than 100 beds in total,

12 percent for nursing homes with fewer than 101 but more than 40 certified beds in total, and

13 percent for nursing homes with 40 or fewer certified beds in total,

of the expenditures in all operating cost categories except fringe benefits, payroll taxes, and general and administrative costs.

(b) For the rate year beginning July 1, 1983, and ending June 30, 1984, the prospective operating cost payment rate for each nursing home shall be determined by the commissioner based on the most recently audited and available cost reports of allowed historical operating costs received by December 31, 1982. To determine the allowed historical operating cost, the commissioner shall update the actual historical per diem shown in those cost reports to June 30, 1983, using an eight percent annual rate of increase after applying the general and administrative cost limitation described in paragraph (a), and after adjusting for rate limitations in effect prior to the effective date of this act. The commissioner shall calculate the 60th percentile of actual allowed historical operating cost per diem for each group of nursing homes established under subdivision 1.

(1) Within each group, each nursing home whose actual allowed historical operating cost per diems are above the 60th percentile of per diems shall receive their allowed historical operating cost per diem plus the dollar change amount resulting from a six percent increase to the 60th percentile.

(2) Within each group, each nursing home whose actual allowed historical operating cost per diem is at or below the 60th percentile shall receive that actual allowed historical operating cost per diem increased by six percent.

(c) For rate years beginning July 1, 1984, the prospective operating cost payment rate for each nursing home shall be determined by the commissioner based on actual allowed historical operating costs incurred during the reporting year preceding the rate year.

The commissioner shall:

(1) Contract with an econometric firm knowledgeable of Minnesota economic conditions and with recognized expertise in and access to current national economic change indices which can be applied to the appropriate cost categories when determining the operating cost payment rate.

(2) Establish the 60th percentile of actual allowed historical operating cost per diems for each group of nursing homes established under subdivision 1 based on cost reports of actual allowed historical operating cost in the previous reporting year. The commissioner shall provide for the analysis and evaluation of each nursing home's report of allowed operating costs incurred by the nursing home during the reporting year immediately preceding the rate year for which the payment rate becomes effective.

The allowed historical operating costs, after the commissioner's analysis and evaluation, shall be added together and divided by the number of actual resident days in order to compute the actual allowed historical operating cost per diem amount.

(3) Establish a composite index for each group by determining the weighted average of all economic change indicators applied to the operating cost categories in that group.

(4) Within each group, each nursing home with an actual allowed historical operating cost per diem in the previous reporting year at or below the 60th percentile calculated in paragraph (c)(2) shall receive the percentage change resulting from the application of the composite index to its allowed historical operating cost per diem. Each nursing home with an actual allowed historical operating cost per diem in the previous reporting year above the 60th percentile calculated in paragraph (c)(2) shall receive the dollar change amount allowed nursing homes at the 60th percentile. The historical base for determining the prospective payment rate shall not exceed the operating cost payment rates during that reporting year.

The commissioner shall include the reported actual real estate tax liability of each proprietary nursing home as an operating cost of that nursing home. The commissioner shall include a reported actual special assessment for each nursing home as an operating cost of that nursing home. Total real estate tax liability plus any special assessments for each nursing home shall be divided by actual resident days in order to compute the operating cost payment rate for this operating cost category, but shall not be used to compute the 60th percentile.

(d) The commissioner shall allow the nursing home to keep, as an efficiency incentive, the difference between the nursing home's operating cost payment rate established for that rate year and the actual historical operating costs incurred for that rate year, if the latter amount is smaller. If a nursing home's actual historic operating costs are greater than the prospective payment rate for that rate year, there shall be no retroactive cost settle-up. If an annual cost report or field audit indicates that the expenditures for direct resident care have been reduced in amounts large enough to indicate a possible detrimental effect on the quality of care, the commissioner shall notify the commissioner of health and the interagency board for quality assurance.

(e) Until groups are established according to mix of resident care needs, nursing homes which are licensed by the commissioner to provide residential services for the physically handicapped and nursing homes that have an average length of stay of less than 180 days shall not be included in the calculation of the 60th percentile of any group. For rate year beginning July 1, 1983 and July 1, 1984, each of these nursing homes shall receive

their actual allowed historical operating cost per diem increased by six percent. The commissioner shall also apply to these nursing homes the ten percent limitation on the general and administrative cost category as provided in subdivision 2 (a).

(f) The commissioner may negotiate, with a nursing home that is eligible to receive medical assistance payments, a payment rate of up to 125 percent of the allowed payment rate to be paid for a period of up to three months for individuals who have been hospitalized for more than 100 days.

Subd. 3. [PROPERTY-RELATED COSTS.] *For the rate year beginning July 1, 1983, and ending June 30, 1984, property-related costs shall be reimbursed to each nursing home at the level recognized in the final rate in effect on March 1, 1983. Property-related costs include: depreciation, interest, bond amortization, earnings or investment allowance, lease, or rental payments at the level recognized in the final rate. No adjustments shall be made as a result of sales or reorganizations of provider entities. Annual per diem shall be computed by dividing total property-related costs by 93 percent of the nursing home's certified capacity days.*

In subsequent years, the commissioner shall reimburse nursing home providers who are vendors in the medical assistance program for the rental use of their property. The "rent" is the amount of periodic payment which a renter might expect to pay for the right to the agreed use of the real estate and the depreciable equipment as it exists. "Real estate" means land improvements, buildings, and attached fixtures used directly for patient care. "Depreciable equipment" means resident care equipment and support service equipment generally used in long-term care facilities. The rent payment shall be deemed to include compensation for depreciation expense, interest expense, and the owner's investment.

(a) For the state fiscal year beginning July 1, 1984, the commissioner shall provide for the appraisal of all nursing homes by uniform standards, using the depreciated replacement cost method. The appraisal shall include real estate, depreciable equipment, and leased facilities and equipment. The appraised base shall be updated annually to reflect changes for asset additions, improvements, replacements, disposals, and retirements from service. New leases for facilities and equipment shall be capitalized according to generally accepted accounting principles and included in the appraised base.

The commissioners of health and public safety shall notify the commissioner of public welfare when an inspection or reinspection reveals deterioration of real estate or equipment in areas that relate to resident care, safety, or rights and that might indicate a need to reappraise the nursing home's value.

(b) *The commissioner shall establish an investment per bed limitation on the value to be recognized of buildings, land improvements, and major movable equipment and shall annually update the limitation to reflect changes in replacement costs.*

(c) *The per diem rent shall be determined annually by taking the base market value computed in clause (a) and limited by clause (b) and multiplying it by eight percent and dividing by 96 percent of the nursing home's certified capacity days. Each year the commissioner shall apply an appropriate index to the base per diem rent computed under this clause, not to exceed three percent per year.*

(d) *Rent for rate years beginning July 1, 1984, shall not exceed by more than 108 percent the statewide aggregate for depreciation, interest expense, and investment allowance for the most recent reporting year. The amounts paid for rent shall not exceed the previous year's aggregate payments for property-related costs by more than eight percent. Payment made pursuant to clause (e) shall be included in the eight percent limit.*

(e) *Facilities that receive, on June 30, 1984, and after adjusting for rate limitations in effect prior to June 30, 1984, reimbursement for depreciation allowance, interest expenses and earnings or investment allowances in excess of the rent computed in clauses (b) and (c), shall continue to receive reimbursement for those amounts, minus retirements from depreciation schedules or reductions in actual interest expenses, until the rent exceeds the amount of those obligations. In no case, however, shall the amounts paid for earnings or investment allowances exceed the amount received by any nursing home for those allowances on March 1, 1983. In the event of a sale, payments made pursuant to clause (e) shall not be transferrable and excess depreciation paid by medical assistance shall be recaptured.*

Subd. 4. [SPECIAL RATES.] *A newly-constructed nursing home or one with a capacity increase of 50 percent or more may, upon written application to the commissioner, receive 110 percent of the 60th percentile established for the appropriate group under subdivision 2, paragraph (b), increased by six percent as their interim operating cost payment rate to be effective from the first day a medical assistance recipient resides in the home or for the added beds. The commissioner shall establish by rule procedures for determining the interim property-related cost payment rate for newly-constructed beds and payment rates for nursing homes which provide care under a lesser care level than the level for which the nursing home is certified. For newly-constructed nursing homes which are not included in the calculation of the 60th percentile for any group, subdivision 2(e), the commissioner shall establish by rule procedures for determining interim operating cost payment rates and interim property-related cost payment rates. The interim payment rates*

shall not be in effect for more than twelve months. The commissioner shall establish by rule procedures for a retroactive cost settlement after the first year of operation the cost settled operating cost per diem shall not exceed 110 percent of the 60th percentile established for the appropriate group.

Sec. 11. Minnesota Statutes 1982, section 256B.47, is amended to read:

256B.47 [(RATE LIMITS) NONALLOWABLE COSTS; NOTICE OF INCREASES TO PRIVATE PAYING RESIDENTS.]

Subdivision 1. [NONALLOWABLE COSTS.] (THE STATE AGENCY SHALL BY RULE ESTABLISH SEPARATE OVERALL LIMITATIONS ON THE COSTS FOR ITEMS WHICH DIRECTLY RELATE TO THE PROVISION OF PATIENT CARE TO RESIDENTS OF NURSING HOMES AND THOSE WHICH DO NOT DIRECTLY RELATE TO THE PROVISION OF CARE. THE STATE AGENCY MAY ALSO BY RULE, ESTABLISH LIMITATIONS FOR SPECIFIC COST CATEGORIES WHICH DO NOT DIRECTLY RELATE TO THE PROVISION OF PATIENT CARE. THE STATE AGENCY SHALL REIMBURSE NURSING HOMES FOR THE COSTS OF NURSING CARE IN EXCESS OF ANY STATE AGENCY LIMITS ON HOURS OF NURSING CARE IF THE COMMISSIONER OF HEALTH ISSUES A CORRECTION ORDER PURSUANT TO SECTION 144A.10, SUBDIVISION 4, DIRECTING THE NURSING HOME TO PROVIDE THE ADDITIONAL NURSING CARE. ALL COSTS DETERMINED OTHERWISE ALLOWABLE SHALL BE SUBJECT TO THESE LIMITATIONS.)

(SUBD. 2.) The following costs shall not be recognized as allowable (TO THE EXTENT THAT THESE COSTS CANNOT BE DEMONSTRATED BY THE NURSING HOME TO THE STATE AGENCY TO BE DIRECTLY RELATED TO THE PROVISION OF PATIENT CARE): (1) political contributions; (2) salaries or expenses of a lobbyist, as defined in section 10A.01, subdivision 11, for lobbying activities; (3) advertising designed to encourage potential residents to select a particular nursing home; (4) assessments levied by the (HEALTH DEPARTMENT) *commissioner of health* for uncorrected violations; (5) legal fees for unsuccessful challenges to decisions by state agencies; (AND (6) DUES PAID TO A NURSING HOME OR HOSPITAL ASSOCIATION. THE STATE AGENCY SHALL PROMULGATE RULES ESTABLISHING STANDARDS WHICH SHALL DISTINGUISH BETWEEN ANY PATIENT-CARE RELATED COMPONENTS AND NONPATIENT-CARE RELATED COMPONENTS OF THESE COSTS, WHERE APPLICABLE. FOR PURPOSES OF THESE RULES, THE STATE AGENCY SHALL EXERCISE EMERGENCY POWERS AND ESTABLISH EMERGENCY RULES

PURSUANT TO SECTION 15.0412, SUBDIVISION 5, BEFORE SEPTEMBER 1, 1977); (6) memberships in sports, health or other similar social clubs or organizations; and (7) costs incurred for activities directly related to influencing employees with respect to unionization. The (STATE AGENCY) commissioner shall by rule exclude the costs of any other items (WHICH IT DETERMINES ARE) not directly related to the provision of (PATIENT) resident care.

(SUBD. 3. ON OR BEFORE JANUARY 1, 1977 THE STATE AGENCY SHALL BY RULE ESTABLISH A PROCEDURE AFFORDING NOTICE OF THE APPROVED RATE FOR MEDICAL ASSISTANCE RECIPIENTS TO NURSING HOMES WITHIN 120 DAYS AFTER THE CLOSE OF THE FISCAL YEAR OF THE NURSING HOME.)

Subd. (4.) 2. [NOTICE TO RESIDENTS.] No increase in nursing home rates for private paying residents shall be effective unless the nursing home notifies the resident or person responsible for payment of the increase in writing 30 days before the increase takes effect.

A nursing home may adjust its rates without giving the notice required by this subdivision when the purpose of the rate adjustment is to (: (A)) reflect a necessary change in the level of care provided to a resident (; OR (B) RETROACTIVELY OR PROSPECTIVELY EQUALIZE PRIVATE PAY RATES WITH RATES CHARGED TO MEDICAL ASSISTANCE RECIPIENTS AS REQUIRED BY SECTION 256B.48, SUBDIVISION 1, CLAUSE (A) AND APPLICABLE FEDERAL LAW.)

(SUBD. 5. THE COMMISSIONER SHALL PROMULGATE RULES NO LATER THAN AUGUST 1, 1980, TO AMEND THE CURRENT RULES GOVERNING NURSING HOME REIMBURSEMENT, IN ACCORDANCE WITH SECTIONS 14.01 TO 14.70, TO ALLOW PROVIDERS TO ALLOCATE THEIR RESOURCES IN ORDER TO PROVIDE AS MANY NURSING HOURS AS NECESSARY WITHIN THE TOTAL COST LIMITATIONS OF THE PER DIEM ALREADY GRANTED). *If the state fails to set rates as required by section 10, the time required for giving notice is decreased by the number of days by which the state was late in setting the rates.*

Sec. 12. Minnesota Statutes 1982, section 256B.48, is amended to read:

256B.48 [CONDITIONS FOR PARTICIPATION.]

Subdivision 1. [PROHIBITED PRACTICES.] (NO) A nursing home (SHALL BE) *is not* eligible to receive medical assistance payments unless it agrees in writing that it will refrain from:

(a) (CHARGING NONMEDICAL ASSISTANCE RESIDENTS RATES FOR SIMILAR SERVICES WHICH EXCEED BY MORE THAN TEN PERCENT THOSE RATES WHICH ARE APPROVED BY THE STATE AGENCY FOR MEDICAL ASSISTANCE RECIPIENTS. FOR NURSING HOMES CHARGING NONMEDICAL ASSISTANCE RESIDENTS RATES LESS THAN TEN PERCENT MORE THAN THOSE RATES WHICH ARE APPROVED BY THE STATE AGENCY FOR MEDICAL ASSISTANCE RECIPIENTS, THE MAXIMUM DIFFERENTIAL IN RATES BETWEEN NONMEDICAL ASSISTANCE RESIDENTS AND MEDICAL ASSISTANCE RECIPIENTS SHALL NOT EXCEED THAT DIFFERENTIAL WHICH WAS IN EFFECT ON APRIL 13, 1976. IF A NURSING HOME HAS EXCEEDED THIS DIFFERENTIAL SINCE APRIL 13, 1976, IT SHALL RETURN THE AMOUNT COLLECTED IN EXCESS OF THE ALLOWABLE DIFFERENTIAL STATED BY THIS SUBDIVISION TO THE NONMEDICAL ASSISTANCE RESIDENT, OR THAT PERSON'S REPRESENTATIVE, BY JULY 1, 1977. EFFECTIVE JULY 1, 1978, NO NURSING HOME SHALL BE ELIGIBLE FOR MEDICAL ASSISTANCE IF IT CHARGES NONMEDICAL ASSISTANCE RECIPIENTS)

Charging private paying residents rates for similar services which exceed those which are approved by the state agency for medical assistance recipients (; PROVIDED, HOWEVER, THAT) except under the following circumstances: the nursing home may (1) charge (NONMEDICAL ASSISTANCE) private paying residents a higher rate for a private room, and (2) charge for special services which are not included in the daily rate if medical assistance (PATIENTS) residents are charged separately at the same rate for the same services in addition to the daily rate paid by the (STATE AGENCY) commissioner. A nursing home that charges a private paying resident a rate in violation of this clause is subject to an action by the state of Minnesota or any of its subdivisions or agencies for civil damages. A private paying resident or the resident's legal representative has a cause of action for civil damages against a nursing home that charges the resident rates in violation of this clause. The damages awarded shall include three times the payments that result from the violation, together with costs and disbursements, including reasonable attorneys' fees or their equivalent. A private paying resident or the resident's legal representative, the state, subdivision or agency, or a nursing home may request a hearing to determine the allowed rate or rates at issue in the cause of action. Within 15 calendar days after receiving a request for such a hearing, the commissioner shall request assignment of a hearing examiner under sections 14.48 to 14.56 to conduct the hearing as soon as possible or according to agreement by the parties. The hearing examiner shall issue a report within 15 calendar days following the close of the hearing. The prohibition set forth in this clause shall not apply to facilities licensed as boarding care facilities which are not certified as nursing homes for reimbursement through medical assistance;

(b) Requiring an applicant for admission to the home, or the guardian or conservator of the applicant, as a condition of admission, to pay (AN ADMISSION FEE) *any fee or deposit* in excess of \$100, loan any money to the nursing home, or promise to leave all or part of the applicant's estate to the home; (AND)

(c) Requiring any resident of the nursing home to utilize a vendor of health care services who is a licensed physician or pharmacist chosen by the nursing home;

(d) *Requiring any vendor of medical care as defined by 256B.02, subdivision 7, who is reimbursed by medical assistance under a separate fee schedule, to pay any portion of his fee to the home; and*

(e) *Requiring any applicant to the nursing home, or the applicant's guardian or conservator, as a condition of admission, to assure that the applicant is neither eligible for nor will seek public assistance for payment of nursing home care costs.*

The prohibitions set forth in clause (b) shall not apply to a retirement home with more than 325 beds including at least 150 licensed nursing home beds and which:

(1) is owned and operated by an organization tax-exempt under section 290.05, subdivision 1, clause (i); and

(2) (AT THE TIME OF ADMISSION PLACES) *accounts* for all of the applicant's assets which are required to be assigned to the home (IN A TRUST ACCOUNT FROM WHICH) *so that* only expenses for the cost of care of the applicant may be (DEDUCTED) *charged against the account; and*

(3) agrees in writing at the time of admission to the home to permit the applicant, or his guardian, or conservator, to examine the records relating to the (INDIVIDUAL'S TRUST) *applicant's* account upon request, and to receive an audited statement of the expenditures (FROM) *charged against* his individual account upon request; and

(4) agrees in writing at the time of admission to the home to permit the applicant to withdraw from the home at any time and to receive, upon withdrawal, (ALL OF THE UNEXPENDED FUNDS REMAINING IN) *the balance of* his individual (TRUST) account (; AND)

((5) WAS IN COMPLIANCE WITH PROVISIONS (1) TO (4) AS OF JUNE 30, 1976).

Subd. 2. [REPORTING REQUIREMENTS.] (EFFECTIVE JULY 1, 1976, NO NURSING HOME SHALL BE

ELIGIBLE TO RECEIVE MEDICAL ASSISTANCE PAYMENTS UNLESS IT AGREES IN WRITING TO:)

((A) PROVIDE THE STATE AGENCY WITH ITS MOST RECENT (1) BALANCE SHEET AND STATEMENT OF REVENUES AND EXPENSES AS AUDITED BY A CERTIFIED PUBLIC ACCOUNTANT LICENSED BY THIS STATE OR BY A PUBLIC ACCOUNTANT AS DEFINED IN SECTION 412.222; (2) STATEMENT OF OWNERSHIP FOR THE NURSING HOME; AND (3) A SEPARATE AUDITED BALANCE SHEET AND STATEMENT OF REVENUES AND EXPENSES FOR EACH NURSING HOME IF MORE THAN ONE NURSING HOME OR OTHER BUSINESS OPERATION IS OWNED BY THE SAME OWNER: A GOVERNMENTALLY OWNED NURSING HOME MAY COMPLY WITH THE AUDITING REQUIREMENTS OF THIS CLAUSE BY SUBMITTING AN AUDIT REPORT PREPARED BY THE STATE AUDITOR'S OFFICE;)

((B) PROVIDE THE STATE AGENCY WITH COPIES OF LEASES, PURCHASE AGREEMENTS AND OTHER RELATED DOCUMENTS RELATED TO THE LEASE OR PURCHASE OF THE NURSING HOME; AND)

((C) PROVIDE TO THE STATE AGENCY UPON REQUEST COPIES OF LEASES, PURCHASE AGREEMENTS, OR SIMILAR DOCUMENTS FOR THE PURCHASE OR ACQUISITION OF EQUIPMENT, GOODS AND SERVICES WHICH ARE CLAIMED AS ALLOWABLE COSTS.)

No later than December 31 of each year, a skilled nursing facility or intermediate care facility, including boarding care facilities and supervised living facilities, which receives medical assistance payments or other reimbursements from the state agency shall:

(a) Provide the state agency with a copy of its audited financial statements which correspond to the period covered by the annual cost report. The audited financial statements must include a balance sheet, income statement, statement of retained earnings, statements of changes in financial position (cash and working capital methods), notes to the financial statements, applicable supplemental information, and the certified public accountant's or licensed public accountant's opinion. The examination by the certified public accountant or licensed public accountant shall be conducted in accordance with generally accepted auditing standards as promulgated and adopted by the American Institute of Certified Public Accountants;

(b) Provide the state agency with a statement of ownership for the facility;

(c) Provide the state agency with separate, audited financial statements as specified in clause (a) for every other facility owned in whole or part by an individual or entity which has an ownership interest in the facility;

(d) Provide the state agency with separate, audited financial statements as specified in clause (a) for every organization with which the facility conducts business and which is owned in whole or in part by an individual or entity which has an ownership interest in the facility;

(e) Provide the state agency with copies of leases, purchase agreements, and other documents related to the lease or purchase of the nursing facility;

(f) Upon request, provide the state agency with copies of leases, purchase agreements, and other documents related to the acquisition of equipment, goods, and services which are claimed as allowable costs; and

(g) Permit access by the state agency to the certified public accountant's and licensed public accountant's audit workpapers which support the audited financial statements required in clauses (a), (c), and (d).

Documents or information provided to the state agency pursuant to this subdivision shall be public. If the requirements of clauses (a) to (g) are not met, the reimbursement rate shall be reduced to 80 percent of the rate in effect on the first day of the fourth calendar month after the close of the reporting year, and the reduction shall continue until the requirements are met. This subdivision is not subject to the rulemaking requirements of section 14.

Subd. 3. [INCOMPLETE OR INACCURATE REPORTS.] The (STATE AGENCY) commissioner may reject any annual cost report filed by a nursing home pursuant to this chapter if (IT) the commissioner determines that the report or the information required in subdivision 2, clause (a) has been filed in a form that is incomplete or inaccurate. In the event that a report is rejected pursuant to this subdivision, the (STATE AGENCY MAY) commissioner shall make payments to a nursing home at (THE) its most recently allowed operating cost per diem rate (DETERMINED FOR ITS PRIOR FISCAL YEAR, OR AT AN INTERIM RATE ESTABLISHED BY THE STATE AGENCY,) until the information is completely and accurately filed.

Subd. 4. [EXTENSIONS; AMENDMENTS.] The commissioner may grant a 30-day extension of the reporting deadline to a nursing home in unusual circumstances. To receive such an extension, a nursing home shall submit a written request by

December 1. The commissioner will notify the nursing home of the decision by December 15.

Subd. 5. [FALSE REPORTS.] *If a nursing home knowingly supplies inaccurate or false information in a required report that results in an overpayment, the commissioner shall: (a) immediately adjust the nursing home's payment rate to recover the entire overpayment within the rate year; or (b) terminate the commissioner's agreement with the nursing home; or (c) prosecute under applicable state or federal law; or (d) use any combination of the foregoing actions.*

Sec. 13. [256B.50] [APPEALS.]

A nursing home may appeal a decision arising from the application of standards or methods pursuant to sections 256B.41, 256B.47, 256B.48, and sections 9, 10, 13, and 14, if the appeal, if successful, would result in a change to the nursing home's payment rate. An appealable decision is an operating cost determination decision. To appeal, the nursing home shall notify the commissioner of its intent to appeal within 30 days and submit a written appeal request within 60 days of receiving notice of the payment rate determination or decision. The request shall specify each disputed item, the reason for the dispute, an estimate of the dollar amount involved, and other information required by the commissioner. The appeal shall be heard by a hearing examiner according to sections 14.48 to 14.56, or upon agreement by both parties according to a modified appeals procedure established by the commissioner and the hearing examiner. Regardless of any rate appeal, the rate established shall be the rate paid and shall remain in effect until final resolution of the appeal, subsequent desk or field audit adjustment, notwithstanding any provision of law or rule to the contrary. To challenge the validity of rules established by the commissioner pursuant to sections 256B.41, 256B.47, 256B.48, and sections 9, 10, 13, and 14, a nursing home shall comply with section 14.44.

Sec. 14. [256B.502] [TEMPORARY RULES.]

To implement sections 1 to 15, the commissioner shall promulgate temporary and permanent rules in accordance with sections 14.01 to 14.38. Notwithstanding the provisions of section 14.35, the temporary rule promulgated to implement sections 1 to 15 shall be effective for up to 360 days, and may be continued in effect for two additional periods of 180 days each if the commissioner gives notice of continuation of each additional period by publishing notice in the state register and mailing the same notice to all persons registered with the commissioner to receive notice of rulemaking proceedings in connection with sections 1 to 15. The temporary rule promulgated in accordance with this section shall not be effective 720 days after its effective date without following the procedures in sections 14.13 to 14.20.

Sec. 15. [LEGISLATIVE COMMISSION ON LONG TERM HEALTH CARE.]

Subdivision 1. A legislative study commission is created (a) to monitor the inspection and regulation activities, including rule developments, of the departments of health and public welfare with the goal of improving quality of care; (b) to study and report on alternative long-term care services, including respite care services, day care services, and hospice services; and (c) to study and report on alternatives to medical assistance funding for providing long term health care services to the citizens of Minnesota. The study commission shall consider the use of such alternatives as private insurance, private annuities, health maintenance organizations, preferred provider organizations, medicare, and such other alternatives as the commission may deem worthy of study.

Subd. 2. The commission shall consist of six members of the house of representatives appointed by the speaker and six members of the senate appointed by the subcommittee on committees.

Subd. 3. The commission shall report its findings and recommendations to the governor and the legislature not later than January 1, 1985.

Subd. 4. The commission shall hold meetings and hearings at the times and places it designates to accomplish the purposes set forth in this section. It shall select a chairperson and other officers from its membership as it deems necessary.

Subd. 5. The commission shall make use of existing legislative facilities and staff of the house and senate research department and senate counsel, but it may also request the legislative coordinating commission to supply it with additional necessary staff, office space, and administrative services. All additional personnel shall be hired and supervised by the directors of the house and senate research departments and senate counsel. The commission shall have full authority to contract for expert services and opinions relevant to the purposes of this section. The commission, by a two-thirds vote of its members, may request the issuance of subpoenas, including subpoenas duces tecum, requiring the appearance of persons, production of relevant records, and giving of relevant testimony. Issuance of subpoenas shall be as provided in section 3.153.

Sec. 16. [ANCILLARY SERVICES.]

The commissioner shall promulgate temporary and permanent rules pursuant to the administrative procedures act to identify the ancillary materials and services, including therapy services, that are included in the nursing home operating cost per diem

and reimbursed pursuant to sections 8 to 14. Payment for such materials and services may be made to either the nursing home in the operating cost per diem or to the vendor of ancillary services pursuant to 12 MCAR 2.047. Payment for the same or similar service to a recipient shall not be made to both the nursing home and the vendor. The commissioner shall ensure that charges for ancillary materials and services are as would be incurred by a prudent buyer.

Sec. 17. [REPEALER.]

Minnesota Statutes 1982, sections 256B.42; 256B.43; 256B.44; 256B.45; and 256B.46 are repealed. Section 1 is repealed effective June 30, 1986.

Sec. 18. [APPROPRIATION.]

For the biennium ending June 30, 1985, \$2,646,500 is appropriated from the general fund to the commissioner of public welfare to implement sections 3 to 9 and 17 and for the purposes of establishing an interagency board for quality assurance, phasing in the new reimbursement system, for rule-making, for contracting for professional services, for computer and data entry services and for appraisals to determine rental values. The approved complement of the department of public welfare is increased by one full-time position for the interagency board and four full-time positions.

Sec. 19. [EFFECTIVE DATE.]

Sections 1 to 18 are effective the day following enactment, for establishing procedures for determining payment rates to become effective for the biennium beginning July 1, 1983, and thereafter. The amendments to section 256B.48, subdivision 1, apply to causes of action arising from charges made on or after the effective date of section 12."

Delete the title and insert:

"A bill for an act relating to public welfare; requiring new procedures for determining nursing home payment rates; requiring a moratorium on licensure or certification of new beds with certain exceptions; providing for an interagency board for quality assurance; appropriating money; amending Minnesota Statutes 1982, sections 144A.10, subdivision 6; 256B.091, subdivisions 1, 2, 4, and 8; 256B.41; 256B.47; and 256B.48; proposing new law coded in chapters 144A and 256B; repealing Minnesota Statutes 1982, sections 256B.42; 256B.43; 256B.44; 256B.45; and 256B.46."

The motion prevailed and the amendment was adopted.

S. F. No. 695, A bill for an act relating to public welfare; requiring new procedures for determining nursing home payment rates; requiring a moratorium on certification or welfare licensure of new beds with certain exceptions; providing for an interagency board for quality assurance; appropriating money; amending Minnesota Statutes 1982, sections 144A.10, subdivisions 4, 6, and by adding a subdivision; 256B.091, subdivisions 1, 2, 4, and 8; 256B.41; 256B.47; and 256B.48; proposing new law coded in Minnesota Statutes 1982, chapters 144A and 256B; repealing Minnesota Statutes 1982, sections 256B.42; 256B.43; 256B.44; 256B.45; and 256B.46; and 12 MCAR 2.049.

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.

Vanasek moved that those not voting be excused from voting. The motion prevailed.

There were 129 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Ellingson	Knuth	Osthoff	Sherman
Anderson, C.	Erickson	Kostohryz	Otis	Simoneau
Anderson, R.	Evans	Krueger	Pauly	Skoglund
Battaglia	Findlay	Kvam	Peterson	Solberg
Beard	Fjoslien	Larsen	Piper	Sparby
Begich	Forsythe	Levi	Price	Stadum
Bennett	Frerichs	Long	Quinn	Staten
Bergstrom	Graba	Ludeman	Quist	Swiggum
Berkelman	Greenfield	Mann	Redalen	Swanson
Bishop	Gruenes	Marsh	Reif	Thiede
Blatz	Gustafson	McDonald	Rice	Tomlinson
Brandl	Gutknecht	McEachern	Riveness	Tunheim
Brinkman	Haukoos	McKasy	Rodosovich	Uphus
Burger	Heap	Metzen	Rodriguez, C.	Valan
Carlson, D.	Heinitz	Minne	Rodriguez, F.	Valento
Carlson, L.	Himle	Munger	Rose	Vanasek
Clark, J.	Hoberg	Murphy	St. Onge	Vellenga
Clark, K.	Hoffman	Nelson, D.	Sarna	Voss
Clawson	Hokr	Nelson, K.	Schafer	Waltman
Cohen	Jacobs	Neuenschwander	Scheid	Welch
Coleman	Jennings	Norton	Schoenfeld	Welker
Dempsey	Jensen	O'Connor	Schreiber	Wenzel
DenOuden	Johnson	Ogren	Scaberg	Wynia
Dimler	Kahn	Olsen	Segal	Zaffke
Eken	Kelly	Omann	Shaver	Speaker Sieben
Elhoff	Knickerbocker	Onnen	Shea	

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

CALL OF THE HOUSE LIFTED

Vanasek moved that the call of the House be dispensed with. The motion prevailed and it was so ordered.

MOTIONS FOR RECONSIDERATION

Ogren moved that the vote whereby S. F. No. 923, as amended, was not passed on Tuesday, May 10, 1983, be now reconsidered. The motion prevailed.

Ogren moved that the action whereby S. F. No. 923 was given its third reading, as amended, on Tuesday, May 10, 1983, be now reconsidered. The motion prevailed.

S. F. No. 923, as amended, was again reported to the House.

Ogren moved to amend S. F. No. 923, as amended, as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1982, section 466.01, subdivision 1, is amended to read:

Subdivision 1. [MUNICIPALITY.] For the purposes of sections 466.01 to 466.15, "municipality" means any city, whether organized under home rule charter or otherwise, any county, town, public authority, public corporation, special district, school district, however organized, county agricultural society organized pursuant to chapter 38, *public library, regional public library system, multi-county multi-type library system*, or other political subdivision.

Sec. 2. [134.40] [PROTECTION OF LIBRARY PROPERTY.]

Subd. 1. [INJURY TO LIBRARY MATERIALS IN PUBLIC INSTITUTIONS.] A person who intentionally, and without permission from library personnel removes or damages any books, maps, pictures, manuscripts, films, or other property of any public library or library belonging to the state or to any political subdivision is guilty of a petty misdemeanor.

Subd. 2. [WILLFUL DETENTION OF LIBRARY MATERIALS.] A person who willfully detains a book, periodical, pamphlet, film, or other property belonging to any public library, or to a library belonging to the state or any political subdivision, for more than 60 days after notice in writing to return it, given after the expiration of the library's stated loan period for the material, is guilty of a petty misdemeanor. The written notice shall be sent by certified mail to the last known address of the person detaining the material. The notice shall state the type of material borrowed, the title of the material, the author's name, the library from which the material was borrowed, and the date by which the material was to have been returned to the library. The notice shall include a statement indicating that if the material is not returned within 60 days after

the written notice the borrower will be in violation of this section.

Subd. 3. [FALSIFICATION OF IDENTIFICATION.]

Any person who willfully provides a false name, address, or other information to library personnel for the purpose of borrowing library materials or of obtaining borrowing privileges, from a public library or library belonging to the state or any political subdivision is guilty of a petty misdemeanor.

Subd. 4. [MAXIMUM PENALTIES.] *Notwithstanding any other law to the contrary, the court may not impose for a violation of subdivisions 1 to 3 a fine exceeding the lesser of:*

(a) the maximum amount authorized by section 609.02, subdivision 4a for a petty misdemeanor; or

(b) two times the aggregate retail market value of all property of the library that was the object of all violations of subdivisions 1 to 3 that the person committed within any 60-day period.

Subd. 5. [RESPONSIBILITY FOR PROSECUTION.]

The county attorney for county libraries, and the city attorney for city libraries shall prosecute violations of subdivisions 1 to 3. For regional libraries the county attorney for the county in which the headquarters of the regional public library system is located shall prosecute violations of subdivisions 1 to 3. For all other political subdivisions, either the city attorney or the county attorney shall prosecute violations of subdivisions 1 to 3."

Thiede moved to amend the Ogren amendment to S. F. No. 923, as follows:

Page 2, line 28, after "county" insert "and regional"

Page 2, line 30, delete everything after the period

Page 2, delete lines 31 and 32

Page 2, line 33, delete "subdivisions 1 to 3."

The motion prevailed and the amendment to the amendment was adopted.

The question recurred on the Ogren amendment, as amended by the Thiede amendment. The motion prevailed and the amendment was adopted.

S. F. No. 923, A bill for an act relating to libraries; prohibiting the theft or damage of library materials; restricting tort liability for public libraries; prescribing a penalty; amending Minnesota Statutes 1982, section 466.01, subdivision 1; proposing new law coded in Minnesota Statutes, chapter 609.

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

The question was taken on the passage of the bill and the roll was called. There were 112 yeas and 12 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Elioff	Johnson	Olsen	Sherman
Anderson, G.	Ellingson	Kahn	Omann	Simoneau
Anderson, R.	Erickson	Kalis	Onnen	Skoglund
Battaglia	Evans	Kelly	Otis	Solberg
Beard	Findlay	Knickerbocker	Pauly	Sparby
Begich	Fjoslien	Knuth	Peterson	Stadum
Bennett	Forsythe	Kostohryz	Piper	Sviggun
Bergstrom	Frerichs	Krueger	Price	Tomlinson
Berkelman	Graba	Kvam	Quinn	Tunheim
Blatz	Greenfield	Larsen	Quist	Uphus
Brandl	Gruenes	Levi	Reif	Valan
Brinkman	Gustafson	Long	Riveness	Valento
Burger	Gutknecht	Ludeman	Rodosovich	Vanasek
Carlson, L.	Halberg	Mann	Rodriguez, C.	Vellenga
Clark, J.	Haukoos	Marsh	Rodriguez, F.	Waltman
Clark, K.	Heap	McDonald	Rose	Welch
Clawson	Heinitz	Munger	Schafer	Wenzel
Cohen	Himle	Murphy	Schoenfeld	Wynia
Coleman	Hoberg	Nelson, D.	Schreiber	Zaffke
Dempsey	Hoffman	Nelson, K.	Seaberg	Speaker Sieben
DenOuden	Hokr	Neuenschwander	Segal	
Dimler	Jennings	Norton	Shaver	
Eken	Jensen	Ogren	Shea	

Those who voted in the negative were:

Jacobs	O'Connor	Rice	Scheid	Thiede
McEachern	Osthoff	St. Onge	Swanson	
Minne	Redalen	Sarna		

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

CONSIDERATION UNDER RULE 1.10

Pursuant to rule 1.10, Rice requested immediate consideration of H. F. No. 257; S. F. Nos. 601 and 72.

H. F. No. 257, A bill for an act relating to motor vehicles; providing for special license plates for certain motor vehicles owned by certain members of the Minnesota national guard; imposing fees; appropriating money; amending Minnesota Statutes 1982, section 168.12, 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 126 yeas and 1 nay as follows:

Those who voted in the affirmative were:

Anderson, B.	Evans	Kostohryz	Otis	Skoglund
Anderson, G.	Findlay	Krueger	Pauly	Solberg
Anderson, R.	Fjoslien	Kvam	Peterson	Sparby
Battaglia	Forsythe	Larsen	Piper	Stadum
Beard	Frerichs	Levi	Price	Staten
Begich	Graba	Long	Quinn	Sviggum
Bennett	Greenfield	Ludeman	Quist	Swanson
Bergstrom	Gruenes	Mann	Redalen	Thiede
Berkelman	Gustafson	Marsh	Reif	Tomlinson
Bishop	Gutknecht	McDonald	Rice	Tunheim
Blatz	Haukoos	McEachern	Riveness	Uphus
Brandl	Heap	McKasy	Rodosovich	Valan
Burger	Heinitz	Metzen	Rodriguez, C.	Valento
Carlson, D.	Himle	Minne	Rodriguez, F.	Vanasek
Carlson, L.	Hoberg	Munger	Rose	Vellenga
Clark, J.	Hoffman	Murphy	St. Onge	Waltman
Clark, K.	Hokr	Nelson, D.	Sarna	Welch
Clawson	Jacobs	Nelson, K.	Schafer	Welker
Cohen	Jennings	Neuenschwander	Scheid	Wenzel
Coleman	Jensen	Norton	Schoenfeld	Wynia
DenOuden	Johnson	O'Connor	Schreiber	Zaffke
Dimler	Kahn	Ogren	Seaberg	Speaker Sieben
Eken	Kalis	Olsen	Segal	
Elioff	Kelly	Omann	Shaver	
Ellingson	Knickerbocker	Onnen	Sherman	
Erickson	Knuth	Osthoff	Simoneau	

Those who voted in the negative were:

Shea

The bill was passed and its title agreed to.

McEachern was excused for the remainder of today's session.

S. F. No. 601, A bill for an act relating to housing; modifying requirements that housing programs for urban Indians in the city of Duluth combine appropriated money with funds from other sources whenever possible; amending Minnesota Statutes 1982, section 462A.07, subdivision 15; and Laws 1978, chapter 670, section 3, 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 125 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Elioff	Kelly	Osthoff	Shea
Anderson, G.	Ellingson	Knickerbocker	Otis	Sherman
Anderson, R.	Erickson	Knuth	Pauly	Simoneau
Battaglia	Evans	Kostohryz	Peterson	Skoglund
Beard	Findlay	Krueger	Piper	Solberg
Begich	Fjoslien	Kvam	Price	Sparby
Bennett	Forsythe	Larsen	Quinn	Stadum
Bergstrom	Frerichs	Levi	Quist	Staten
Berkelman	Graba	Long	Redalen	Sviggum
Bishop	Greenfield	Ludeman	Reif	Swanson
Blatz	Gruenes	Mann	Rice	Thiede
Brandl	Gustafson	Marsh	Riveness	Tomlinson
Brinkman	Gutknecht	McDonald	Rodosovich	Tunheim
Burger	Halberg	McKasy	Rodriguez, C.	Uphus
Carlson, D.	Haukoos	Minne	Rodriguez, F.	Valan
Carlson, L.	Heap	Murphy	Rose	Valento
Clark, J.	Heinitz	Nelson, D.	St. Onge	Vanasek
Clark, K.	Himle	Nelson, K.	Sarna	Vellenga
Clawson	Hoberg	Neuenschwander	Schafer	Waltman
Cohen	Hoffman	Norton	Scheid	Welch
Coleman	Jacobs	O'Connor	Schoenfeld	Welker
Dempsey	Jennings	Ogren	Schreiber	Wenzel
DenOuden	Jensen	Olsen	Seaberg	Wynia
Dimler	Johnson	Omann	Segal	Zafike
Eken	Kahn	Onnen	Shaver	Speaker Sieben

The bill was passed and its title agreed to.

S. F. No. 72, A bill for an act relating to occupations and professions; authorizing the commissioner of public safety to provide administrative support services to the board of peace officer standards and training; amending Minnesota Statutes 1982, sections 214.04, subdivision 1; 626.843, subdivision 1; 626.845, subdivision 1; and 626.849.

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 125 yeas and 1 nay as follows:

Those who voted in the affirmative were:

Anderson, B.	Clark, J.	Frerichs	Johnson	Minne
Anderson, G.	Clark, K.	Graba	Kahn	Munger
Anderson, R.	Clawson	Greenfield	Kelly	Murphy
Battaglia	Cohen	Gruenes	Knickerbocker	Nelson, D.
Beard	Coleman	Gustafson	Knuth	Nelson, K.
Begich	Dempsey	Gutknecht	Kostohryz	Neuenschwander
Bennett	DenOuden	Halberg	Krueger	Norton
Bergstrom	Dimler	Haukoos	Kvam	O'Connor
Berkelman	Eken	Heap	Larsen	Ogren
Bishop	Elioff	Heinitz	Levi	Olsen
Blatz	Ellingson	Himle	Long	Omann
Brandl	Erickson	Hoberg	Ludeman	Onnen
Brinkman	Evans	Hoffman	Mann	Osthoff
Burger	Findlay	Hokr	Marsh	Otis
Carlson, D.	Fjoslien	Jacobs	McDonald	Pauly
Carlson, L.	Forsythe	Jensen	McKasy	Peterson

Piper	Rodriguez, C.	Seaberg	Stadum	Vanasek
Price	Rodriguez, F.	Segal	Sviggum	Vellenga
Quinn	Rose	Shaver	Swanson	Waltman
Quist	St. Onge	Shea	Thiede	Welch
Redalen	Sarna	Sherman	Tomlinson	Welker
Reif	Schafer	Simoneau	Tunheim	Wenzel
Rice	Scheid	Skoglund	Uphus	Wynia
Riveness	Schoenfeld	Solberg	Valan	Zaffke
Rodosovich	Schreiber	Sparby	Valento	Speaker Sieben

Those who voted in the negative were:

Jennings

The bill was passed and its title agreed to.

Stadum was excused for the remainder of today's session.

CONSIDERATION UNDER RULE 1.10

Pursuant to rule 1.10, Rice requested immediate consideration of H. F. No. 572.

SUSPENSION OF RULES

Pursuant to Article IV, Section 19, of the Constitution of the state of Minnesota, Berkelman moved that the rule therein be suspended and an urgency be declared so that H. F. No. 572 be given its third reading and be placed upon its final passage. The motion prevailed.

Berkelman moved that the rules of the House be so far suspended that H. F. No. 572 be given its third reading and be placed upon its final passage. The motion prevailed.

H. F. No. 572 was reported to the House.

Burger moved to amend H. F. No. 572, as follows:

Page 5, line 9, delete "\$3,926,900" and insert "\$3,730,555"

Page 5, line 13, delete "\$300,000" and insert "\$285,000"

Page 5, line 14, delete "\$300,000" and insert "\$285,000"

Page 5, line 22, delete "\$400,000" and insert "\$380,000"

Page 5, line 23, delete "\$400,000" and insert "\$380,000"

Page 5, line 31, delete "\$1,742,000" and insert "\$1,654,900"

Page 5, line 32, delete "\$2,559,000" and insert "\$2,431,050"

Page 5, line 34, delete "\$326,800" and insert "\$310,460"

Page 5, line 35, delete "\$343,900" and insert "\$326,705"

Page 6, line 2, delete "\$734,600" and insert "\$699,870"

Page 6, line 3, delete "\$666,000" and insert "\$632,900"

Page 6, line 4, delete "\$225,000" and insert "\$213,750" and delete "\$116,000" and insert "\$110,200"

Page 6, line 7, delete "\$165,500" and insert "\$157,225"

Page 6, line 8, delete "\$169,100" and insert "\$160,645"

Page 6, line 14, delete "\$258,000" and insert "\$245,100"

Page 6, line 15, delete "\$162,000" and insert "\$159,600"

A roll call was requested and properly seconded.

The question was taken on the amendment and the roll was called. There were 41 yeas and 76 nays as follows:

Those who voted in the affirmative were:

Bennett	Frerichs	Ludeman	Rose	Valan
Bishop	Haukoos	Marsh	Schafer	Valento
Burger	Heap	McDonald	Scaber	Voss
Dempsey	Heinitz	McKasy	Shaver	Waltman
DenOuden	Hoberg	Omann	Shea	Welker
Dimler	Jennings	Onnen	Sherman	
Erickson	Johnson	Pauly	Sviggum	
Evans	Kvam	Quist	Thiede	
Fjoslien	Levi	Redalen	Uphus	

Those who voted in the negative were:

Anderson, B.	Eken	Kostohryz	Osthoff	Skoglund
Anderson, G.	Elioff	Krueger	Otis	Solberg
Battaglia	Ellingson	Larsen	Peterson	Sparby
Beard	Forsythe	Long	Piper	Swanson
Begich	Graba	Mann	Price	Tomlinson
Bergstrom	Greenfield	Metzen	Rice	Tunheim
Berkelman	Gruenes	Minne	Riveness	Vanasek
Blatz	Gustafson	Munger	Rodosovich	Vellenga
Brandl	Himle	Murphy	Rodriguez, C.	Welch
Carlson, D.	Hoffman	Nelson, D.	Rodriguez, F.	Wenzel
Carlson, L.	Jacobs	Nelson, K.	St. Onge	Wynia
Clark, J.	Jensen	Neuenschwander	Scheid	Speaker Sieben
Clark, K.	Kahn	Norton	Schoenfeld	
Clawson	Kelly	O'Connor	Schreiber	
Cohen	Knickerbocker	Ogren	Segal	
Coleman	Knuth	Olsen	Simoneau	

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

H. F. No. 572, A bill for an act relating to economic development; creating the office of tourism; assigning powers and

duties; appropriating money; proposing new law coded in Minnesota Statutes, chapter 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 119 yeas and 10 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Elioff	Kahn	Omann	Segal
Anderson, G.	Ellingson	Kalis	Onnen	Shaver
Anderson, R.	Erickson	Kelly	Osthoff	Shea
Battaglia	Evans	Knickerbocker	Pauly	Sherman
Beard	Findlay	Knuth	Peterson	Simoneau
Begich	Fjoslien	Kostohryz	Piepho	Skoglund
Bennett	Forsythe	Krueger	Piper	Solberg
Bergstrom	Frerichs	Larsen	Price	Sparby
Berkelman	Graba	Levi	Quinn	Swiggum
Bishop	Greenfield	Long	Quist	Swanson
Blatz	Gruenes	Mann	Redalen	Thiede
Brandl	Gustafson	Marsh	Reif	Tomlinsen
Brinkman	Gutknecht	McKasy	Pice	Tunheim
Burger	Halberg	Metzen	Rivness	Uphus
Carlson, D.	Heap	Minne	Rodosovich	Valan
Carlson, L.	Heinitz	Munger	Rodriguez, C.	Vanasek
Clark, J.	Hinle	Murphy	Rodriguez, F.	Vellenga
Clark, K.	Hobgen	Nelson, D.	Rose	Waltman
Clawson	Hoffman	Nelson, K.	St. Onge	Welch
Coben	Hokr	Neuenschwander	Sarna	Wenzel
Coleman	Jacobs	Norton	Scheid	Wynia
Dempsey	Jennings	O'Connor	Schoenfeld	Zaffke
Dimler	Jensen	Ogren	Schreiber	Speaker Sieben
Eken	Johnson	Olsen	Scaberg	

Those who voted in the negative were:

DenOuden	Kvam	McDonald	Schafer	Voss
Haukoos	Ludeman	Otis	Valento	Welker

The bill was passed and its title agreed to.

Halberg was excused for the remainder of today's session.

CONSIDERATION UNDER RULE 1.10

Pursuant to rule 1.10, Rice requested immediate consideration of S. F. No. 652.

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. 652 be given its second and third readings 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. 652 be given its second and third readings and be placed upon its final passage. The motion prevailed.

S. F. No. 652 was read for the second time.

S. F. No. 652 which had been sent earlier today for comparison was reported to the House.

Ogren offered an amendment to S. F. No. 652.

Quist requested a division of the Ogren amendment to S. F. No. 652.

The first portion of the Ogren amendment reads as follows:

Strike everything after the enacting clause and insert:

“Section 1. [32.415] [MILK FOR MANUFACTURING; QUALITY STANDARDS.]

In order to provide uniform quality standards, producers of milk used for manufacturing purposes shall conform to the standards contained in Subparts D and F of the United States Department of Agriculture Consumer and Marketing Service Recommended Requirements for Milk for Manufacturing Purposes and its Production and Processing, Vol. 37 Federal Register, No. 68, Part II, April 7, 1972, with the following exceptions:

(a) *Inspections of producers shall begin not later than January 1, 1985;*

(b) *Producers shall comply with the standards not later than July 1, 1986, except as otherwise allowed under the standards; and*

(c) *The commissioner shall develop methods by which producers can comply with the standards without violation of religious beliefs. The commissioner may adopt rules, including temporary rules, for the purpose of this clause.*

The commissioner of agriculture shall perform or contract for the performance of the inspections necessary to implement this section or shall certify dairy industry personnel to perform the inspections.

The commissioner and other employees of the department shall make every reasonable effort to assist producers in achieving the milk quality standards at minimum cost and to use the experience and expertise of the University of Minnesota and the agricultural extension service to assist producers in achieving the milk quality standards in the most cost-effective manner.

The commissioner of agriculture shall consult with producers, processors, and others involved in the dairy industry in order to prepare for the implementation of this section including development of informational and educational materials, meetings, and other methods of informing producers about the implementation of standards under this section.”

A roll call was requested and properly seconded.

The question was taken on the first portion of the Ogren amendment and the roll was called. There were 122 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Erickson	Kostohryz	Otis	Sherman
Anderson, G.	Evans	Krueger	Pauly	Simoneau
Anderson, R.	Findlay	Kvam	Peterson	Skoglund
Battaglia	Fjoslien	Larsen	Piepho	Solberg
Beard	Forsythe	Levi	Piper	Sparby
Begich	Frerichs	Long	Price	Sviggum
Bergstrom	Graba	Ludeman	Quist	Swanson
Berkelman	Greenfield	Mann	Redalen	Thiede
Bishop	Gruenes	Marsh	Reif	Tomlinson
Blatz	Gustafson	McDonald	Rice	Tunheim
Brandl	Guiknecht	McKasy	Riveness	Uphus
Brinkman	Haukoos	Metzen	Rodosovich	Valan
Burger	Heap	Minne	Rodriguez, C.	Valento
Carlson, D.	Heinitz	Munger	Rodriguez, F.	Vellenga
Carlson, L.	Himle	Murphy	Rose	Voss
Clark, J.	Hoberg	Nelson, D.	St. Onge	Waltman
Clark, K.	Hoffman	Nelson, K.	Sarna	Welch
Clawson	Hokr	Neuenschwander	Schafer	Welker
Cohen	Jacobs	Norton	Scheid	Wenzel
Dempsey	Jennings	O'Connor	Schoenfeld	Wynia
DenOuden	Jensen	Ogren	Schreiber	Zaffke
Dimler	Kahn	Olsen	Seaberg	Speaker Sieben
Eken	Kalis	Omann	Segal	
Elioff	Knickerbocker	Onnen	Shaver	
Ellingson	Knuth	Osthoff	Shea	

The motion prevailed and the first portion of the Ogren amendment was adopted.

The second portion of the Ogren amendment reads as follows:

“Sec. 2. [32.416] [LOAN GUARANTEE PROGRAM.]

Subdivision 1. [PRODUCER ASSISTANCE.] The commissioner shall administer a loan guarantee and payment adjustment program for producers to assist in financing any real property improvements required by section 1.

Subd. 2. [DEFINITIONS.] For the purposes of sections 2 and 3, “lender” has the meaning given in section 41.52, subdivision 7, except that “lender” also includes creameries, dairy co-operatives, and other milk purchasing businesses which finance the improvements required by section 1, “commissioner” means the commissioner of agriculture, and “applicant” means a dairy farmer storing milk in cans who is required to make any real property improvements required by section 1. An applicant must have resided on a farm receiving homestead credit under section 273.13 prior to January 1, 1983. No applicant who purchases a farm after July 1, 1983, is eligible for the loan guarantee program.

Subd. 3. [LOANS.] The commissioner may guarantee loans not exceeding \$2,500 in principal amount for a term not to exceed five years, for the purpose of making any real property improvements required by section 1. The guarantee shall obligate the state of Minnesota to pay the lender 90 percent of the sums due and payable in the event of default.

Subd. 4. [ELIGIBILITY, LIMITATION.] No applicant who is otherwise eligible shall receive the benefit of the loan guarantee or payment adjustment provided in this section unless it is demonstrated that credit for the same purpose is unavailable at reasonable interest rates from a commercial lender. For purposes of this subdivision, written rejection of a loan application by two lenders, as defined in subdivision 2, or the availability of a loan only at interest rates determined by rule or temporary rule pursuant to subdivision 7 to be excessive, shall be sufficient to show that credit is unavailable from commercial lenders.

Subd. 5. [PAYMENT ADJUSTMENT.] At the time of the approval of the loan guarantee, the commissioner shall provide to the lender an amount equal to 12 percent of the guaranteed loan, and the lender shall use this payment to reduce the number or size of the payments otherwise required by the terms of the loan.

Subd. 6. [SALE OF PROPERTY.] Any applicant who sells or conveys any property securing a loan guaranteed by the commissioner shall immediately retire the balance owed the lender.

Subd. 7. [RULES; ELIGIBILITY.] The commissioner shall adopt rules to implement the loan guarantee and payment adjustment program. The rules shall include:

(a) Procedures for approving loan guarantees;

(b) Eligibility requirements for applicants which assure that approval of a loan guarantee is based on financial need and credit worthiness of the applicant; and

(c) Required loan guarantee terms which provide adequate security for recovery by the state of amounts paid to lenders on default of any guaranteed loan, and repayment of a guaranteed loan by the applicant through assignment of a portion of any payment received for milk produced by the applicant.

The rules may be adopted as temporary rules as provided in chapter 14. The rules shall be effective July 1, 1984, and shall expire on July 1, 1985. Loan guarantees and payment adjustments may be granted only from July 1, 1984, to July 1, 1985.

Sec. 3. [32.417] [APPROPRIATIONS.]

Subdivision 1. [DEFAULTS.] The sum of all outstanding loans guaranteed by the commissioner at any time shall not exceed \$2,500,000. In the event of a default on a guaranteed loan, the commissioner may submit a request to the legislative advisory commission for sufficient funds to pay the lender the amount required for the guaranteed loan.

Subd. 2. [PAYMENT ADJUSTMENTS.] There is appropriated from the general fund to the commissioner the sum of \$300,000 for fiscal year 1985, to pay the payment adjustment under section 2, subdivision 4.

Sec. 4. [APPROPRIATION.]

There is appropriated from the general fund to the commissioner of agriculture the sum of \$30,800 for the year ending June 30, 1984, for administrative expenses incurred to implement the provisions of sections 1 to 3. The approved complement of the department is increased by one full-time position."

A roll call was requested and properly seconded.

The Speaker called Wynia to the Chair.

The question was taken on the second portion of the Ogren amendment and the roll was called. There were 95 yeas and 21 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Evans	Krueger	Peterson	Sherman
Battaglia	Findlay	Larsen	Piper	Simoneau
Beard	Fjoslien	Long	Price	Skoglund
Begich	Frerichs	Mann	Redalen	Solberg
Bergstrom	Graba	Marsh	Reif	Sparby
Berkelman	Greenfield	McKasy	Rice	Swanson
Brandl	Gustafson	Metzen	Riveness	Thiede
Brinkman	Gutknecht	Munger	Rodosovich	Tomlinson
Carlson, D.	Hoberg	Murphy	Rodriguez, C.	Tunheim
Carlson, L.	Hoffman	Nelson, D.	Rodriguez, F.	Uphus
Clark, J.	Jacobs	Nelson, K.	Rose	Valan
Clark, K.	Jensen	Neuenschwander	St. Onge	Vellenga
Cohen	Johnson	Norton	Sarna	Voss
Coleman	Kahn	O'Connor	Scheid	Waltman
Dimler	Kalis	Ogren	Schoenfeld	Welch
Eken	Kelly	Olsen	Seaberg	Wenzel
Elioff	Knickerbocker	Omann	Segal	Wynia
Ellingson	Knuth	Onnen	Shaver	Zaffke
Erickson	Kostohryz	Otis	Shea	Speaker Sieben

Those who voted in the negative were:

Anderson, G.	Forsythe	Kvam	Quist	Welker
Blatz	Haukoos	Levi	Schafer	
Burger	Heap	Ludeman	Schreiber	
Dempsey	Heinitz	Osthoff	Sviggum	
DenOuden	Jennings	Piepho	Valento	

The motion prevailed and the second portion of the Ogren amendment was adopted.

S. F. No. 652, A bill for an act relating to agriculture; adopting recommended federal rules relating to milk quality for manufacturing purposes; providing for phase in of inspections and compliance; proposing new law coded in Minnesota Statutes, chapter 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. There were 113 yeas and 12 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Ellingson	Knickerbocker	Otis	Shea
Anderson, G.	Erickson	Knuth	Pauly	Sherman
Anderson, R.	Evans	Kostohryz	Peterson	Simoneau
Battaglia	Findlay	Krueger	Piepho	Skoglund
Beard	Fjoslien	Larsen	Piper	Solberg
Begich	Frerichs	Levi	Price	Sparby
Bennett	Graba	Long	Quinn	Sviggum
Bergstrom	Greenfield	Mann	Quist	Swanson
Bishop	Gruenes	Marsh	Redalen	Tomlinson
Blatz	Gustafson	McDonald	Reif	Tunheim
Brandl	Gutknecht	McKasy	Rice	Uphus
Brinkman	Heap	Metzen	Riveness	Valan
Burger	Heinitz	Minne	Rodosovich	Vanasek
Carlson, D.	Himle	Munger	Rodriguez, C.	Vellenga
Carlson, L.	Hoberg	Murphy	Rodriguez, F.	Voss
Clark, J.	Hoffman	Nelson, D.	Rose	Waltman
Clark, K.	Hokr	Nelson, K.	St. Onge	Welch
Cohen	Jacobs	Neuenschwander	Sarna	Wenzel
Coleman	Jensen	O'Connor	Scheid	Wynia
Dempsey	Johnson	Ogren	Schoenfeld	Zaffke
Dimler	Kahn	Olsen	Seaberg	Speaker Sieben
Eken	Kalis	Omann	Segal	
Elhoff	Kelly	Onnen	Shaver	

Those who voted in the negative were:

DenOuden	Jennings	Osthoff	Thiede	Welker
Forsythe	Kvam	Schafer	Valento	
Haukoos	Ludeman	Schreiber		

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

REPORT FROM THE COMMITTEE ON RULES AND
LEGISLATIVE ADMINISTRATION

Eken, from the Committee on Rules and Legislative Administration, pursuant to Rule 1.9, designated the following bills as Special Orders to be added to Special Orders pending for today, May 12, 1983:

S. F. Nos. 683, 473, 161, 263, 529, 1012 and 545; H. F. Nos. 452, 800, 1059 and 1188; S. F. Nos. 1008, 855, 1009, 337, 338, 742, 891, 911, 699, 271, 616, 856, 791, 964, 427 and 597.

SPECIAL ORDERS

S. F. No. 1189 was reported to the House.

Ogren moved that S. F. No. 1189 be temporarily laid over on Special Orders. The motion prevailed.

S. F. No. 297 was reported to the House.

Levi moved to amend S. F. No. 297, the unofficial engrossment, as amended on May 10, 1983, as follows:

Page 1, line 26, after the period, delete the new language and strike the old language

Page 1, line 27 to page 2, line 4, delete the new language and strike the old language

Page 2, line 9, delete everything after the period

Page 2, delete lines 10 and 11

Amend the title as follows:

Page 1, line 2, delete "requiring" and insert "authorizing"

The motion prevailed and the amendment was adopted.

S. F. No. 297, A bill for an act relating to criminal justice; requiring peace officers to make arrests based on probable cause in cases of domestic assault; requiring peace officers to notify victims of domestic assault of the legal remedies available; amending Minnesota Statutes 1982, section 629.341; and Laws 1983, chapter 52, by adding a section.

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:

Anderson, B.	Beard	Berkelman	Brinkman	Clark, J.
Anderson, G.	Begich	Bishop	Burger	Clark, K.
Anderson, R.	Bennett	Blatz	Carlson, D.	Clawson
Battaglia	Bergstrom	Brandl	Carlson, L.	Cohen

Coleman	Hoberg	McKasy	Quist	Solberg
Dempsey	Hoffman	Metzen	Redalen	Sparby
DenOuden	Hokr	Minne	Reif	Svigum
Dimler	Jacobs	Munger	Rice	Swanson
Eken	Jennings	Murphy	Riveness	Thiede
Elioff	Jensen	Nelson, D.	Rodosovich	Tomlinson
Ellingson	Johnson	Nelson, K.	Rodriguez, C.	Uphus
Erickson	Kahn	Neuenschwander	Rodriguez, F.	Valento
Evans	Kalis	Norton	Rose	Vanasek
Findlay	Kelly	O'Connor	St. Onge	Vellenga
Fjoslien	Knickerbocker	Ogren	Sarna	Voss
Forsythe	Knuth	Olsen	Schafer	Waltman
Frerichs	Kostohryz	Omann	Scheid	Welch
Graba	Krueger	Onnen	Schoenfeld	Welker
Greenfield	Kvam	Osthoff	Schreiber	Wenzel
Cruenes	Larsen	Otis	Seaberg	Wynia
Gustafson	Levi	Pauly	Segal	Zaffke
Gutknecht	Long	Peterson	Shaver	Speaker Sieben
Haukoos	Ludeman	Piepho	Shea	
Heap	Mann	Piper	Sherman	
Heinitz	Marsh	Price	Simoneau	
Himle	McDonald	Quinn	Skoglund	

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

H. F. No. 547 was reported to the House.

Vanasek moved that H. F. No. 547 be continued on Special Orders for one day. The motion prevailed.

S. F. No. 752 was reported to the House.

Begich offered an amendment to S. F. No. 752.

POINT OF ORDER

Vanasek raised a point of order pursuant to rule 3.9 that the amendment was not in order. The Speaker Pro Tem ruled the point of order well taken and the amendment out of order.

S. F. No. 752, A bill for an act relating to crimes; prohibiting assaulting a peace officer; prescribing penalties; amending Minnesota Statutes 1982, section 609.224; proposing new law coded in Minnesota Statutes, chapter 609.

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 126 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Beard	Berkelman	Burger	Clark, K.
Anderson, G.	Begich	Blatz	Carlson, D.	Clawson
Anderson, R.	Bennett	Brandl	Carlson, L.	Cohen
Battaglia	Bergstrom	Brinkman	Clark, J.	Coleman

Dempsey	Hokr	Minne	Reif	Sviggum
DenOuden	Jacobs	Munger	Rice	Swanson
Dimler	Jennings	Murphy	Riveness	Thiede
Eken	Jensen	Nelson, D.	Rodosovich	Tomlinson
Elioff	Johnson	Nelson, K.	Rodriguez, C.	Tunheim
Ellingson	Kahn	Neuenschwander	Rodriguez, F.	Uphus
Erickson	Kalis	Norton	Rose	Valan
Evans	Kelly	O'Connor	St. Onge	Valento
Findlay	Knickerbocker	Ogren	Sarna	Vanasek
Fjoslien	Knuth	Olsen	Schafer	Vellenga
Frerichs	Kostohryz	Omamn	Scheid	Voss
Graba	Krueger	Onnen	Schoenfeld	Waltman
Greenfield	Kvam	Osthoff	Schreiber	Welch
Gruenes	Larsen	Otis	Seaberg	Welker
Gustafson	Levi	Pauly	Segal	Wenzel
Gutknecht	Long	Peterson	Shaver	Wynia
Haukoos	Ludeman	Piepho	Shea	Zaffke
Heap	Mann	Piper	Sherman	Speaker Sieben
Heinitz	Marsh	Price	Simoneau	
Himle	McDonald	Quinn	Skoglund	
Hoberg	McKasy	Quist	Solberg	
Hoffman	Metzen	Redalen	Sparby	

The bill was passed and its title agreed to.

The Speaker resumed the Chair.

S. F. No. 1146 was reported to the House.

There being no objection, S. F. No. 1146 was continued on Special Orders for one day.

H. F. No. 722 was reported to the House.

Jacobs moved that H. F. No. 722 be continued on Special Orders for one day. The motion prevailed.

H. F. No. 253, A bill for an act relating to the operation of state government; clarifying certain provisions regarding the term of the legislative auditor; providing for the review of audit contracts; amending Minnesota Statutes 1982, sections 3.97, subdivision 4; 3.972; and 462A.22, 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 125 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Bergstrom	Carlson, D.	Coleman	Ellingson
Anderson, G.	Berkelman	Carlson, L.	Dempsey	Erickson
Anderson, R.	Blatz	Clark, J.	DenOuden	Evans
Battaglia	Brandl	Clark, K.	Dimler	Findlay
Begich	Brinkman	Clawson	Eken	Fjoslien
Bennett	Burger	Cohen	Elioff	Forsythe

Frerichs	Kelly	Nelson, K.	Rice	Solberg
Graba	Knickerbocker	Neuenschwander	Riveness	Sparby
Greenfield	Knuth	Norton	Rodosovich	Sviggum
Gruenes	Kostohryz	O'Connor	Rodriguez, C.	Swanson
Gustafson	Krueger	Ogren	Rodriguez, F.	Thiede
Gutknecht	Kvam	Olsen	Rose	Tomlinson
Haukoos	Larsen	Omann	St. Onge	Tunheim
Heap	Levi	Onnen	Sarna	Uphus
Heinitz	Long	Osthoff	Schafer	Valan
Himle	Ludeman	Otis	Scheid	Valento
Hoberg	Mann	Pauly	Schoenfeld	Vanasek
Hoffman	Marsh	Peterson	Schreiber	Vellenga
Hokr	McDonald	Piepho	Seaberg	Waltman
Jacobs	McKasy	Piper	Segal	Welch
Jennings	Metzen	Price	Shaver	Welker
Jensen	Minne	Quinn	Shea	Wenzel
Johnson	Munger	Quist	Sherman	Wynia
Kahn	Murphy	Redalen	Simoneau	Zaffke
Kalis	Neison, D.	Reif	Skoglund	Speaker Sieben

The bill was passed and its title agreed to.

H. F. No. 1106 was reported to the House.

There being no objection, H. F. No. 1106 was continued on Special Orders for one day.

H. F. No. 1236 was reported to the House.

Riveness moved to amend H. F. No. 1236, the first engrossment, as follows:

Page 2, line 16, delete "*this subdivision*" and insert "*clause (c)*"

The motion prevailed and the amendment was adopted.

H. F. No. 1236, A bill for an act relating to local government; permitting certain land transfers by the metropolitan sports facilities commission; permitting certain land acquisitions by the Bloomington port authority; amending Minnesota Statutes 1982, section 473.556, subdivision 6.

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 92 yeas and 21 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Bergstrom	Carlson, L.	Elioff	Frerichs
Anderson, G.	Berkelman	Clark, J.	Ellingson	Graba
Battaglia	Blatz	Clark, K.	Erickson	Greenfield
Beard	Brandl	Clawson	Evans	Gustafson
Begich	Burger	Cohen	Findlay	Gutknecht
Bennett	Carlson, D.	Coleman	Fjoslien	Heap

Heinitz	Larsen	Ogren	Rodriguez, F.	Solberg
Himle	Levi	Onnen	Rose	Sparby
Hoberg	Long	Otis	St. Onge	Swanson
Hoffman	Mann	Peterson	Sarna	Tunheim
Jacobs	Marsh	Piper	Scheid	Valan
Jensen	McKasy	Price	Schoenfeld	Vellenga
Johnson	Metzen	Quinn	Seaberg	Voss
Kahn	Munger	Redalen	Segal	Waltman
Kalis	Murphy	Reif	Shaver	Wenzel
Knickerbocker	Nelson, D.	Rice	Shea	Speaker Sieben
Knuth	Nelson, K.	Riveness	Sherman	
Kostohryz	Neuenschwander	Rodosovich	Simoneau	
Krueger	Norton	Rodriguez, C.	Skoglund	

Those who voted in the negative were :

Dempsey	Kvam	Pauly	Thiede	Zaffke
DenOuden	Ludeman	Quist	Uphus	
Gruenes	Minne	Schafer	Valento	
Haukoos	Omann	Schreiber	Welker	
Hokr	Osthoff	Sviggum	Wynia	

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

H. F. No. 559, A bill for an act relating to courts; providing for interest rates on judgments; amending Minnesota Statutes 1982, section 549.09, 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 110 yeas and 10 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Eken	Kelly	Osthoff	Sherman
Anderson, G.	Ellingson	Knuth	Otis	Simoneau
Anderson, R.	Erickson	Kostohryz	Peterson	Skoglund
Battaglia	Evans	Krueger	Piepho	Solberg
Beard	Findlay	Kvam	Piper	Sparby
Begich	Fjoslien	Larsen	Price	Sviggum
Bennett	Frerichs	Levi	Quinn	Swanson
Bergstrom	Craba	Ludeman	Quist	Tomlinson
Berkelman	Greenfield	Mann	Redalen	Tunheim
Blatz	Gustafson	McDonald	Rice	Uphus
Brandl	Haukoos	McKasy	Riveness	Valan
Burger	Heap	Metzen	Rodosovich	Valento
Carlson, D.	Hcinitz	Minne	Rodriguez, C.	Vanasek
Carlson, L.	Himle	Munger	Rodriguez, F.	Vellenga
Clark, J.	Hoberg	Nelson, D.	Rose	Voss
Clark, K.	Hoffman	Nelson, K.	Sarna	Waltman
Clawson	Hokr	Neuenschwander	Schafer	Welch
Cohen	Jacobs	Norton	Schoenfeld	Welker
Coleman	Jennings	O'Connor	Schreiber	Wenzel
Dempsey	Jensen	Ogren	Segal	Wynia
DenOuden	Kahn	Olsen	Shaver	Zaffke
Dimler	Kalis	Omann	Shea	Speaker Sieben

Those who voted in the negative were:

Elioff	Gruenes	Knickerbocker	Reif	Seaberg
Forsythe	Johnson	Onnen	St. Onge	Thiede

The bill was passed and its title agreed to.

H. F. No. 1149 was reported to the House.

Clawson moved to amend H. F. No. 1149, the first engrossment, as follows:

Page 2, line 17, delete "A certified copy of the lien"

Page 2, delete lines 18 and 19 and insert a new subdivision as follows:

"Subd. 4. [MOTOR VEHICLES EXCLUDED.] Subdivisions 2 and 3 shall apply to machinery, implements and tools of all kinds but shall not apply to motor vehicles."

The motion prevailed and the amendment was adopted.

H. F. No. 1149, A bill for an act relating to liens; right of possession and liens on fabrication molds and patterns; providing a nonpossessory lien on personal property; lengthening the time limit for veterinary liens; amending Minnesota Statutes 1982, sections 514.18; 514.19; and 514.92, 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 119 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Coleman	Heap	Long	Onnen
Anderson, G.	Dempsey	Heinitz	Ludeman	Osthoff
Anderson, R.	DenOuden	Himle	Mann	Pauly
Battaglia	Dimler	Hoberg	Marsh	Peterson
Beard	Eken	Hoffman	McDonald	Piepho
Begich	Elioff	Hokr	McKasy	Price
Bennett	Ellingson	Jacobs	Metzen	Quinn
Bergstrom	Erickson	Jensen	Minne	Quist
Berkelman	Evans	Johnson	Munger	Redalen
Blatz	Findlay	Kahn	Murphy	Reif
Brandl	Fjoslien	Kalis	Nelson, D.	Rice
Burger	Forsythe	Kelly	Nelson, K.	Riveness
Carlson, D.	Graba	Knickerbocker	Neuenschwander	Rodosovich
Carlson, L.	Greenfield	Knuth	Norton	Rodriguez, C.
Clark, J.	Gruenes	Kostohryz	O'Connor	Rodriguez, F.
Clark, K.	Gustafson	Krueger	Ogren	Rose
Clawson	Gutknecht	Kvam	Olsen	St. Onge
Cohen	Haukoos	Larsen	Omamn	Sarna

Schafer	Shea	Swiggum	Valan	Welch
Scheid	Sherman	Swanson	Valento	Wenzel
Schoenfeld	Simoneau	Thiede	Vanasek	Wynia
Schreiber	Skoglund	Tomlinson	Vellenga	Zaffke
Seaberg	Solberg	Tunheim	Voss	Speaker Sieben
Shaver	Sparby	Uphus	Waltman	

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

S. F. No. 160, A bill for an act relating to retirement; volunteer firefighters' relief associations; adding definitions; providing for distribution of assets upon dissolution; clarifying ambiguous language; amending Minnesota Statutes 1982, sections 69.772, subdivisions 1, 2, and 3; 424A.01; 424A.02; 424A.03, subdivision 1; 424A.04; 424A.05; and 424A.08; proposing new law coded in Minnesota Statutes, chapter 424A; repealing Minnesota Statutes 1982, section 424.26.

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 124 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Erickson	Kostohryz	Otis	Shea
Anderson, G.	Evans	Krueger	Pauly	Sherman
Anderson, R.	Findlay	Kvam	Peterson	Simoneau
Battaglia	Fjoslien	Larsen	Piepho	Skoglund
Beard	Forsythe	Levi	Piper	Solberg
Begich	Graba	Long	Price	Sparby
Bennett	Greenfield	Ludeman	Quinn	Swiggum
Bergstrom	Gruenes	Mann	Quist	Swanson
Berkelman	Gustafson	Marsh	Redalen	Thiede
Blatz	Gutknecht	McDonald	Reif	Tomlinson
Brandl	Haukoos	McKasy	Rice	Tunheim
Burger	Heap	Metzen	Riveness	Uphus
Carlson, D.	Heinitz	Minne	Rodosovich	Valan
Carlson, L.	Himle	Munger	Rodriguez, C.	Valento
Clark, J.	Hoberg	Murphy	Rodriguez, F.	Vanasek
Clark, K.	Hoffman	Nelson, D.	Rose	Vellenga
Clawson	Hokr	Nelson, K.	St. Onge	Voss
Cohen	Jacobs	Neuenschwander	Sarna	Waltman
Coleman	Jensen	Norton	Schafer	Welch
Dempsey	Johnson	O'Connor	Scheid	Welker
DenOuden	Kahn	Ogren	Schoenfeld	Wenzel
Dimler	Kalis	Olsen	Schreiber	Wynia
Eken	Kelly	Omamn	Seaberg	Zaffke
Elioff	Knickerbocker	Onnen	Segal	Speaker Sieben
Ellingson	Knuth	Osthoff	Shaver	

The bill was passed and its title agreed to.

There being no objection the order of business reverted to Messages From The Senate.

MESSAGES FROM THE SENATE

The following messages were received from the Senate:

Mr. Speaker:

I hereby announce that the Senate refuses to concur in the House amendment to:

S. F. No. 292, A bill for an act relating to public welfare; defining persons responsible for a child's care under the child abuse reporting law; amending Minnesota Statutes 1982, section 626.556, subdivisions 2, 7, and 10.

The Senate respectfully requests that a Conference Committee be appointed thereon. The Senate has appointed as such committee Messrs. Luther, Petty and Storm.

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

Ellingson 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. 292. The motion prevailed.

Mr. Speaker:

I hereby announce that the Senate refuses to concur in the House amendment to:

S. F. No. 634, A bill for an act relating to game and fish; establishing the joint legislative committee on fishing resources; imposing a surcharge on fishing licenses for development and improvement of state fishing resources; authorizing designation of experimental and specialized fishing waters; authorizing additional notice of netting season; licensing fishing guides; increasing certain license fees; prohibiting angling and use of tip-ups while spearing in a dark house; prohibiting issuance of new commercial game fish netting licenses; allowing designation of lakes for taking of certain muskellunge; imposing penalties for various offenses; amending Minnesota Statutes 1982, sections 84.027, subdivision 2; 97.48, subdivision 26, and by adding a subdivision; 97.53, by adding a subdivision; 97.55, by adding subdivisions; 98.46, subdivision 5; 98.52, by adding subdivisions; and 101.42, subdivisions 1a and 20; proposing new law coded in Minnesota Statutes, chapters 97, 98, and 102.

The Senate respectfully requests that a Conference Committee be appointed thereon. The Senate has appointed as such committee Messrs. Peterson, C. C.; Johnson, D. J.; Merriam; Bernhagen and Kroening.

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

Sarna 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. 634. The motion prevailed.

Mr. Speaker:

I hereby announce that the Senate refuses to concur in the House amendment to:

S. F. No. 1234, A bill for an act relating to the organization and operation of state government; appropriating money for welfare, corrections, health, and other purposes with certain conditions; providing appropriations for the departments of public welfare, economic security, corrections, health, sentencing guidelines commission, corrections ombudsman, and health related boards; providing an entitlement to certain child care services; increasing marriage license and dissolution fees; providing for distribution of federal maternal and child health block grant money; requiring cost increase limits and other cost containment measures in medical care programs; amending eligibility standards; changing general assistance to allow flat grants, employment through grant diversion and work registration requirements, and federal benefit application incentives; providing for job training for certain persons; appropriating money for welfare, corrections, health, and other purposes with certain conditions; providing appropriations for the departments of public welfare, economic security, corrections, health, sentencing guidelines commission, corrections ombudsman, and health related boards; amending Minnesota Statutes 1982, sections 129A.03; 144.653, subdivision 2; 144A.04, subdivision 5; 144A.10, subdivision 2; 145.882; 145.921, subdivision 1; 245.62; 245.66; 245.83; 245.84, subdivisions 1, 2, and 5; 245.85; 245.86; 245.87; 256.045, subdivision 3; 256.82, by adding a subdivision; 256.966, subdivision 1; 256.968; 256B.02, subdivision 8; 256B.04, subdivision 14, and by adding a subdivision; 256B.06, subdivision 1; 256B.07; 256B.14, subdivision 2; 256B.17, subdivision 4, and by adding subdivisions; 256B.27, subdivision 3; 256B.48, by adding a subdivision; 256D.01, subdivision 1; 256D.02, subdivision 4; 256D.03, subdivisions 3 and 4, and by adding subdivisions; 256D.05, subdivision 1a; 256D.06, subdivision 5; 256D.09, subdivision 2, and by adding a subdivision; 260.191, subdivision 2;

260.242, subdivision 2; 261.23; 357.021, subdivisions 2 and 2a; 401.14, by adding a subdivision; 401.15, subdivision 1; 517.08, subdivisions 1b and 1c; proposing new law coded in Minnesota Statutes, chapters 145; 252; 256; 256B; 256D; and 268; repealing Minnesota Statutes 1982, sections 256D.02, subdivision 14; 256D.05, subdivision 1a; 256D.06, subdivision 1a; 256D.22; and Laws 1981, chapter 360, article II, section 54, as amended.

The Senate respectfully requests that a Conference Committee be appointed thereon. The Senate has appointed as such committee Messrs. Samuelson; Johnson, D. E.; Spear; Dicklich and Knutson.

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 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. 1234. The motion prevailed.

ANNOUNCEMENTS BY THE SPEAKER

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 1234:

Wynia, Greenfield, Murphy, Staten, and St. Onge.

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 292:

Ellingson, Scheid and Olsen.

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 409:

Jacobs, St. Onge and Dempsey.

SPECIAL ORDERS

Eken moved that the remaining bills on Special Orders for today be continued one day. The motion prevailed.

GENERAL ORDERS

Eken moved that the bills on General Orders for today be continued one day. The motion prevailed.

MOTIONS AND RESOLUTIONS

Levi moved that the name of Segal be added as an author on H. F. No. 1289. The motion prevailed.

Simoneau moved that the names of Skoglund and Segal be added as authors on H. F. No. 1301. The motion prevailed.

Greenfield moved that the name of Clark, K., be added as an author on H. F. No. 1303. The motion prevailed.

Clark, J., moved that the name of Segal be added as an author on H. F. No. 1304. The motion prevailed.

Begich moved that the name of Clark, K., be added as an author on H. F. No. 1307. The motion prevailed.

Rice moved that S. F. No. 606, now on Technical General Orders, be re-referred to the Committee on Appropriations. The motion prevailed.

Clawson moved that H. F. No. 670 be returned to its author. The motion prevailed.

Rice moved that H. F. No. 1298 be returned to its author. The motion prevailed.

PROTEST AND DISSENT

Pursuant to Article IV, Section 11, of the Minnesota Constitution, we herewith register our formal protest and dissent regarding the actions and conduct of the Speaker of the House, Harry Sieben, and the Majority Leader, Willis Eken, in their attempt to manipulate and deviate from the rules of the House on May 2, 1983.

The Speaker of the House, in collusion with the Majority Leader, did willfully ignore the rules of the House by calling an unannounced rules committee for the sole purpose of altering the floor schedule to avoid discussion on the issue of workers' compensation. With no prior notice to the public or to other legislators, and with no opportunity for input, a prearranged Special Orders Calendar was sent to the floor. This action and subsequent actions of the Speaker and Acting Speaker prohibited the members of the legislature from a free and open discussion of the workers' compensation issue.

The Speaker further compounded the inappropriateness of the rules committee action by ignoring the motion to lay the special orders calendar committee report on the table pursuant to House rule 1.14.

Later, State Representative Ann Wynia, charged with the temporary responsibility as presiding officer in the Minnesota House of Representatives, did on two separate occasions refuse to rule on valid points of order as is required by "Mason's Manual of Legislative Procedure." She would not acknowledge the breach of order called to her attention in the first instance, which in itself, became the second breach of order which was also called to her attention. Representative Wynia's failure to rule as presiding officer is a serious contravention of established parliamentary practice and constituted further deliberate action to prevent discussion of the issue of workers' compensation.

As offended members of this legislative body, we expect that the conventions of the House of Representatives will not continue to receive abusive treatment from any individual acting as Speaker.

Through their actions, the confidence in House rules and parliamentary procedure have been jeopardized. Their deliberate attempts to circumvent the will of the majority, and their abusive conduct is a denial of each members' rights and a direct attack on the tradition of the Minnesota House of Representatives.

Those charged with leadership responsibilities must rise above their own pettiness and partisanship to restore a tradition of evenhandedness and straightforwardness by following parliamentary procedure and House rules as has been done in the past.

Signatures:

Ray Welker
Dave Bishop
Sylvester Uphus
Mary Forsythe
Ben Omann
Terry Dempsey
Tony Onnen
Adolph Kvam
John Himle
Elton Redalen
Dave B. Gruenes
D. H. Hoberg
Bert J. McKasy
Lon Heinitz
Sidney Pauly

Tim Sherman
Bill Schreiber
Donald Valento
Gerald Knickerbocker
Jim Heap
Bob Waltman
Gil Gutknecht
Dick Wigley
Dorothy Hokr
Craig Shaver
Charles C. Halberg
Mark Piepho
Dave Fjoslien
John Rose
Steve Sviggum

Chuck Dimler
David M. Jennings
Gaylin DenOuden
Paul M. Thiede
Merlyn Valan
Robert W. Reif
K. J. McDonald
Gary L. Findlay
Gary Schafer
Connie Levi
Tony Stadum
Bob Haukoos

Sally Olsen
Tony Bennett
Cal R. Ludeman
Virgil Johnson
Don Frerichs
Kathleen Blatz
Maurice Zaffke
Wendell Erickson
Doug Carlson
John Burger
Allen Quist
Arthur Seaberg

ADJOURNMENT

Eken moved that when the House adjourns today it adjourn until 1:00 p.m., Friday, May 13, 1983. The motion prevailed.

Eken moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 1:00 p.m., Friday, May 13, 1983.

EDWARD A. BURDICK, Chief Clerk, House of Representatives

STATE OF MINNESOTA

SEVENTY-THIRD SESSION - 1983

FIFTY-THIRD DAY

SAINT PAUL, MINNESOTA, FRIDAY, MAY 13, 1983

The House of Representatives convened at 1:00 p.m. and was called to order by Harry A. Sieben, Jr., Speaker of the House.

Prayer was offered by Pastor Dick Larson, Zion Lutheran Church, Thief River Falls, Minnesota.

The roll was called and the following members were present:

Anderson, B.	Evans	Kostohryz	Pauly	Solberg
Anderson, G.	Findlay	Krueger	Piepho	Sparby
Battaglia	Fjoslien	Kvam	Piper	Stadium
Beard	Forsythe	Larsen	Price	Staten
Begich	Graba	Levi	Quinn	Swiggum
Bergstrom	Greenfield	Long	Quist	Swanson
Berkelman	Gruenes	Ludeman	Redalen	Thiede
Bishop	Gustafson	Mann	Reif	Tomlinson
Blatz	Cutknecht	Marsh	Ricc	Tunheim
Brandl	Halberg	McDonald	Riveness	Uphus
Brinkman	Haukoos	McEachern	Rodosovich	Valan
Burger	Heap	McKasy	Rodriguez, C.	Valento
Carlson, D.	Heimitz	Metzen	Rodriguez, F.	Vanasek
Carlson, L.	Himle	Minne	Rosc	Vellenga
Clark, J.	Hoberg	Munger	St. Onge	Voss
Clark, K.	Hoffman	Murphy	Schafer	Waltman
Clawson	Hokr	Nelson, D.	Scheid	Welch
Cohen	Jacobs	Nelson, K.	Schoenfeld	Welker
Coleman	Jennings	Norton	Schreiber	Welle
Dempsey	Jensen	O'Connor	Scaberg	Wenzel
DenOuden	Johnson	Ogren	Segal	Wigley
Dimler	Kahn	Olsen	Shaver	Wynia
Eken	Kalis	Omann	Shea	Speaker Sieben
Elioff	Kelly	Onnen	Sherman	
Ellingson	Knickerbocker	Osthoff	Simoneau	
Erickson	Knuth	Otis	Skoglund	

A quorum was present.

Anderson, R.; Bennett; Frerichs; Neuenschwander; Peterson; Sarna and Zaffke were excused.

The Chief Clerk proceeded to read the Journal of the preceding day. Clawson 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. 404, 1031, 1308, 572, 300, 654, 828, 549, 1149 and 1236 and S. F. Nos. 652 and 695 have been placed in the members' files.

SECOND READING OF HOUSE BILLS

H. F. No. 1308 was read for the second time.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House File was introduced:

Clark, K.; Clawson; Greenfield and Staten introduced:

H. F. No. 1309, A bill for an act relating to mentally retarded persons; directing the commissioner of public welfare to promulgate rules prohibiting certain aversive or deprivation procedures; permitting the use of certain aversive or deprivation procedures by consent or court approval; amending Minnesota Statutes 1982, section 245.825, subdivision 1.

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

HOUSE ADVISORIES

The following House Advisories were introduced:

Metzen; Kalis; Anderson, B.; DenOuden and Valan introduced:

H. A. No. 20, A proposal to study the need for state livestock weigh masters.

The advisory was referred to the Committee on Appropriations.

Solberg, Ludeman, Sparby, Johnson and Eken introduced:

H. A. No. 21, A proposal to study the Minnesota fence law, Minnesota Statutes, chapter 344.

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

Rodriguez, F.; Sarna; Wigley; Metzen and Clawson introduced:

H. A. No. 22, A proposal to study the recodification of retirement laws governing police and salaried firefighters.

The advisory was referred to the Committee on Governmental Operations.

The following conference committee report was received:

CONFERENCE COMMITTEE REPORT ON H. F. NO. 365

A bill for an act relating to health care facilities; clarifying the rights and responsibilities of patients and residents; amending Minnesota Statutes 1982, sections 144.651; and 144.652.

May 6, 1983

The Honorable Harry A. Sieben, Jr.
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

We, the undersigned conferees for H. F. No. 365, 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. 365 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1982, section 144.651, is amended to read:

144.651 [PATIENTS AND RESIDENTS OF HEALTH CARE FACILITIES; BILL OF RIGHTS.]

Subdivision 1. [LEGISLATIVE INTENT.] It is the intent of the legislature and the purpose of this section to promote the interests and well being of the patients and residents of health care facilities. No health care facility may require a patient or resident to waive these rights as a condition of admission to the facility. Any guardian or conservator of a patient or resident or, in the absence of a guardian or conservator, an interested person, may seek enforcement of these rights on behalf of a patient or resident. It is the intent of this section that every patient's civil and religious liberties, including the right to independent personal decisions and knowledge of available choices, shall not be infringed and that the facility shall encourage and assist in the fullest possible exercise of these rights.

Subd. 2. [DEFINITIONS.] For the purposes of this section, "patient" means a person who is admitted to an acute care

inpatient facility for a continuous period longer than 24 hours, for the purpose of diagnosis or treatment bearing on the physical or mental health of that person. "Resident" means a person who is admitted to a non-acute care facility including extended care facilities, nursing homes, and board and care homes for care required because of prolonged mental or physical illness or disability, recovery from injury or disease, or advancing age.

Subd. 3. [PUBLIC POLICY DECLARATION.] It is declared to be the public policy of this state that the interests of each patient and resident be protected by a declaration of a patients' bill of rights which shall include but not be limited to the (FOLLOWING:)

(1) EVERY PATIENT AND RESIDENT SHALL HAVE THE RIGHT TO CONSIDERATE AND RESPECTFUL CARE;)

(2) EVERY PATIENT AND RESIDENT CAN REASONABLY EXPECT TO OBTAIN FROM HIS PHYSICIAN OR THE RESIDENT PHYSICIAN OF THE FACILITY COMPLETE AND CURRENT INFORMATION CONCERNING HIS DIAGNOSIS, TREATMENT AND PROGNOSIS IN TERMS AND LANGUAGE THE PATIENT CAN REASONABLY BE EXPECTED TO UNDERSTAND. IN CASES IN WHICH IT IS NOT MEDICALLY ADVISABLE TO GIVE THE INFORMATION TO THE PATIENT OR RESIDENT THE INFORMATION MAY BE MADE AVAILABLE TO THE APPROPRIATE PERSON IN HIS BEHALF;)

(3) EVERY PATIENT AND RESIDENT SHALL HAVE THE RIGHT TO KNOW BY NAME AND SPECIALITY, IF ANY, THE PHYSICIAN RESPONSIBLE FOR COORDINATION OF HIS CARE;)

(4) EVERY PATIENT AND RESIDENT SHALL HAVE THE RIGHT TO EVERY CONSIDERATION OF HIS PRIVACY AND INDIVIDUALITY AS IT RELATES TO HIS SOCIAL, RELIGIOUS, AND PSYCHOLOGICAL WELL BEING;)

(5) EVERY PATIENT AND RESIDENT SHALL HAVE THE RIGHT TO RESPECTFULNESS AND PRIVACY AS IT RELATES TO HIS MEDICAL CARE PROGRAM. CASE DISCUSSION, CONSULTATION, EXAMINATION, AND TREATMENT ARE CONFIDENTIAL AND SHOULD BE CONDUCTED DISCREETLY;)

(6) EVERY PATIENT AND RESIDENT SHALL HAVE THE RIGHT TO EXPECT THE FACILITY TO MAKE A REASONABLE RESPONSE TO HIS REQUESTS;)

(7) EVERY PATIENT AND RESIDENT SHALL HAVE THE RIGHT TO OBTAIN INFORMATION AS TO ANY

RELATIONSHIP OF THE FACILITY TO OTHER HEALTH CARE AND RELATED INSTITUTIONS INSOFAR AS HIS CARE IS CONCERNED;)

((8) EVERY PATIENT AND RESIDENT SHALL HAVE THE RIGHT TO EXPECT REASONABLE CONTINUITY OF CARE WHICH SHALL INCLUDE BUT NOT BE LIMITED TO WHAT APPOINTMENT TIMES AND PHYSICIANS ARE AVAILABLE;)

((9) EVERY RESIDENT SHALL BE FULLY INFORMED, PRIOR TO OR AT THE TIME OF ADMISSION AND DURING HIS STAY, OF SERVICES AVAILABLE IN THE FACILITY, AND OF RELATED CHARGES INCLUDING ANY CHARGES FOR SERVICES NOT COVERED UNDER MEDICARE OR MEDICAID OR NOT COVERED BY THE FACILITY'S BASIC PER DIEM RATE;)

((10) EVERY PATIENT AND RESIDENT SHALL BE AFFORDED THE OPPORTUNITY TO PARTICIPATE IN THE PLANNING OF HIS MEDICAL TREATMENT AND TO REFUSE TO PARTICIPATE IN EXPERIMENTAL RESEARCH;)

((11) NO RESIDENT SHALL BE ARBITRARILY TRANSFERRED OR DISCHARGED BUT MAY BE TRANSFERRED OR DISCHARGED ONLY FOR MEDICAL REASONS, FOR HIS OR OTHER RESIDENTS' WELFARE, OR FOR NONPAYMENT FOR STAY UNLESS PROHIBITED BY THE WELFARE PROGRAMS PAYING FOR THE CARE OF THE RESIDENT, AS DOCUMENTED IN THE MEDICAL RECORD. REASONABLE ADVANCE NOTICE OF ANY TRANSFER OR DISCHARGE MUST BE GIVEN TO A RESIDENT;)

((12) EVERY RESIDENT MAY MANAGE HIS PERSONAL FINANCIAL AFFAIRS, OR SHALL BE GIVEN AT LEAST A QUARTERLY ACCOUNTING OF FINANCIAL TRANSACTIONS ON HIS BEHALF IF HE DELEGATES THIS RESPONSIBILITY IN ACCORDANCE WITH THE LAWS OF MINNESOTA TO THE FACILITY FOR ANY PERIOD OF TIME;)

((13) EVERY RESIDENT SHALL BE ENCOURAGED AND ASSISTED, THROUGHOUT HIS PERIOD OF STAY IN A FACILITY, TO UNDERSTAND AND EXERCISE HIS RIGHTS AS A PATIENT AND AS A CITIZEN, AND TO THIS END, HE MAY VOICE GRIEVANCES AND RECOMMEND CHANGES IN POLICIES AND SERVICES TO FACILITY STAFF AND OUTSIDE REPRESENTATIVES OF HIS CHOICE, FREE FROM RESTRAINT, INTERFERENCE, COERCION, DISCRIMINATION OR REPRISAL;)

((14) EVERY RESIDENT SHALL BE FREE FROM MENTAL AND PHYSICAL ABUSE, AND FREE FROM CHEMICAL AND PHYSICAL RESTRAINTS, EXCEPT IN EMERGENCIES, OR AS AUTHORIZED IN WRITING BY HIS PHYSICIAN FOR A SPECIFIED AND LIMITED PERIOD OF TIME, AND WHEN NECESSARY TO PROTECT THE RESIDENT FROM INJURY TO HIMSELF OR TO OTHERS;)

((15) EVERY PATIENT AND RESIDENT SHALL BE ASSURED CONFIDENTIAL TREATMENT OF HIS PERSONAL AND MEDICAL RECORDS, AND MAY APPROVE OR REFUSE THEIR RELEASE TO ANY INDIVIDUAL OUTSIDE THE FACILITY, EXCEPT AS OTHERWISE PROVIDED BY LAW OR A THIRD PARTY PAYMENT CONTRACT;)

((16) NO RESIDENT SHALL BE REQUIRED TO PERFORM SERVICES FOR THE FACILITY THAT ARE NOT INCLUDED FOR THERAPEUTIC PURPOSES IN HIS PLAN OF CARE;)

((17) EVERY RESIDENT MAY ASSOCIATE AND COMMUNICATE PRIVATELY WITH PERSONS OF HIS CHOICE, AND SEND AND RECEIVE HIS PERSONAL MAIL UNOPENED, UNLESS MEDICALLY CONTRAINDICATED AND DOCUMENTED BY HIS PHYSICIAN IN THE MEDICAL RECORD;)

((18) EVERY RESIDENT MAY MEET WITH REPRESENTATIVES AND PARTICIPATE IN ACTIVITIES OF COMMERCIAL, RELIGIOUS, AND COMMUNITY GROUPS AT HIS DISCRETION; PROVIDED, HOWEVER, THAT THE ACTIVITIES SHALL NOT INFRINGE UPON THE RIGHT TO PRIVACY OF OTHER RESIDENTS;)

((19) EVERY RESIDENT MAY RETAIN AND USE HIS PERSONAL CLOTHING AND POSSESSIONS AS SPACE PERMITS, UNLESS TO DO SO WOULD INFRINGE UPON RIGHTS OF OTHER PATIENTS OR RESIDENTS, AND UNLESS MEDICALLY CONTRAINDICATED AND DOCUMENTED BY HIS PHYSICIAN IN THE MEDICAL RECORD;)

((20) EVERY RESIDENT, IF MARRIED, SHALL BE ASSURED PRIVACY FOR VISITS BY HIS OR HER SPOUSE AND IF BOTH SPOUSES ARE RESIDENTS OF THE FACILITY, THEY SHALL BE PERMITTED TO SHARE A ROOM, UNLESS MEDICALLY CONTRAINDICATED AND DOCUMENTED BY THEIR PHYSICIANS IN THE MEDICAL RECORD;)

((21) EVERY PATIENT OR RESIDENT SHALL BE FULLY INFORMED, PRIOR TO OR AT THE TIME OF AD-

MISSION AND DURING HIS STAY AT A FACILITY, OF THE RIGHTS AND RESPONSIBILITIES SET FORTH IN THIS SECTION AND OF ALL RULES GOVERNING PATIENT CONDUCT AND RESPONSIBILITIES; AND)

((22) EVERY PATIENT OR RESIDENT SUFFERING FROM ANY FORM OF BREAST CANCER SHALL BE FULLY INFORMED, PRIOR TO OR AT THE TIME OF ADMISSION AND DURING HER STAY, OF ALL ALTERNATIVE EFFECTIVE METHODS OF TREATMENT OF WHICH THE TREATING PHYSICIAN IS KNOWLEDGEABLE, INCLUDING SURGICAL, RADIOLOGICAL, OR CHEMOTHERAPEUTIC TREATMENTS OR COMBINATIONS OF TREATMENTS AND THE RISKS ASSOCIATED WITH EACH OF THOSE METHODS) *rights specified in this section.*

Subd. 4. [INFORMATION ABOUT RIGHTS.] Patients and residents shall, at admission, be told that there are legal rights for their protection during their stay at the facility and that these are described in an accompanying written statement of the applicable rights and responsibilities set forth in this section. Reasonable arrangements shall be made for those with communication impairments and those who speak a language other than English. Current facility policies, inspection findings of state and local health authorities, and further explanation of the written statement of rights shall be available to patients, residents, their guardians or their chosen representatives upon reasonable request to the administrator or other designated staff person.

Subd. 5. [COURTEOUS TREATMENT.] Patients and residents have the right to be treated with courtesy and respect for their individuality by employees of or persons providing service in a health care facility.

Subd. 6. [APPROPRIATE HEALTH CARE.] Patients and residents shall have the right to appropriate medical and personal care based on individual needs. Appropriate care for residents means care designed to enable residents to achieve their highest level of physical and mental functioning. This right is limited where the service is not reimbursable by public or private resources.

Subd. 7. [PHYSICIAN'S IDENTITY.] Patients and residents shall have or be given, in writing, the name, business address, telephone number, and specialty, if any, of the physician responsible for coordination of their care. In cases where it is medically inadvisable, as documented by the attending physician in a patient's or resident's care record, the information shall be given to the patient's or resident's guardian or other person designated by the patient or resident as his or her representative.

Subd. 8. [RELATIONSHIP WITH OTHER HEALTH SERVICES.] *Patients and residents who receive services from an outside provider are entitled, upon request, to be told the identity of the provider. Residents shall be informed, in writing, of any health care services which are provided to those residents by individuals, corporations, or organizations other than their facility. Information shall include the name of the outside provider, the address, and a description of the service which may be rendered. In cases where it is medically inadvisable, as documented by the attending physician in a patient's or resident's care record, the information shall be given to the patient's or resident's guardian or other person designated by the patient or resident as his or her representative.*

Subd. 9. [INFORMATION ABOUT TREATMENT.] *Patients and residents shall be given by their physicians complete and current information concerning their diagnosis, treatment, alternatives, risks, and prognosis as required by the physician's legal duty to disclose. This information shall be in terms and language the patients or residents can reasonably be expected to understand. Patients and residents may be accompanied by a family member or other chosen representative. This information shall include the likely medical or major psychological results of the treatment and its alternatives. In cases where it is medically inadvisable, as documented by the attending physician in a patient's or resident's medical record, the information shall be given to the patient's or resident's guardian or other person designated by the patient or resident as his or her representative. Individuals have the right to refuse this information.*

Subd. 10. [PARTICIPATION IN PLANNING TREATMENT.] *Patients and residents shall have the right to participate in the planning of their health care. This right includes the opportunity to discuss treatment and alternatives with individual caregivers, the opportunity to request and participate in formal care conferences, and the right to include a family member or other chosen representative. In the event that the patient or resident cannot be present, a family member or other representative chosen by the patient or resident may be included in such conferences.*

Subd. 11. [CONTINUITY OF CARE.] *Patients and residents shall have the right to be cared for with reasonable regularity and continuity of staff assignment as far as facility policy allows.*

Subd. 12. [RIGHT TO REFUSE CARE.] *Competent patients and residents shall have the right to refuse treatment based on the information required in subdivision 9. Residents who refuse treatment, medication, or dietary restrictions shall be informed of the likely medical or major psychological results of the refusal, with documentation in the individual medical record. In cases where a patient or resident is incapable of*

understanding the circumstances but has not been adjudicated incompetent, or when legal requirements limit the right to refuse treatment, the conditions and circumstances shall be fully documented by the attending physician in the patient's or resident's medical record.

Subd. 13. [EXPERIMENTAL RESEARCH.] Written, informed consent must be obtained prior to a patient's or resident's participation in experimental research. Patients and residents have the right to refuse participation. Both consent and refusal shall be documented in the individual care record.

Subd. 14. [FREEDOM FROM ABUSE.] Patients and residents shall be free from mental and physical abuse as defined in the Vulnerable Adults Protection Act. "Abuse" means any act which constitutes assault, sexual exploitation, or criminal sexual conduct as described in section 626.557, subdivision 2d, or the intentional and nontherapeutic infliction of physical pain or injury, or any persistent course of conduct intended to produce mental or emotional distress. Every patient and resident shall also be free from nontherapeutic chemical and physical restraints, except in fully documented emergencies, or as authorized in writing after examination by a patient's or resident's physician for a specified and limited period of time, and only when necessary to protect the resident from self-injury or injury to others.

Subd. 15. [TREATMENT PRIVACY.] Patients and residents shall have the right to respectfulness and privacy as it relates to their medical and personal care program. Case discussion, consultation, examination, and treatment are confidential and shall be conducted discreetly. Privacy shall be respected during toileting, bathing, and other activities of personal hygiene, except as needed for patient or resident safety or assistance.

Subd. 16. [CONFIDENTIALITY OF RECORDS.] Patients and residents shall be assured confidential treatment of their personal and medical records, and may approve or refuse their release to any individual outside the facility. Residents shall be notified when personal records are requested by any individual outside the facility and may select someone to accompany them when the records or information are the subject of a personal interview. Copies of records and written information from the records shall be made available in accordance with this subdivision and section 144.335. This right does not apply to complaint investigations and inspections by the department of health, where required by third party payment contracts, or where otherwise provided by law.

Subd. 17. [DISCLOSURE OF SERVICES AVAILABLE.] Patients and residents shall be informed, prior to or at the time of admission and during their stay, of services which are in-

cluded in the facility's basic per diem or daily room rate and that other services are available at additional charges. Facilities shall make every effort to assist patients and residents in obtaining information regarding whether the medicare or medical assistance program will pay for any or all of the aforementioned services.

Subd. 18. [RESPONSIVE SERVICE.] Patients and residents shall have the right to a prompt and reasonable response to their questions and requests.

Subd. 19. [PERSONAL PRIVACY.] Patients and residents shall have the right to every consideration of their privacy, individuality, and cultural identity as related to their social, religious, and psychological well-being. Facility staff shall respect the privacy of a resident's room by knocking on the door and seeking consent before entering, except in an emergency or where clearly inadvisable.

Subd. 20. [GRIEVANCES.] Patients and residents shall be encouraged and assisted, throughout their stay in a facility, to understand and exercise their rights as patients, residents, and citizens. Patients and residents may voice grievances and recommend changes in policies and services to facility staff and others of their choice, free from restraint, interference, coercion, discrimination, or reprisal, including threat of discharge. Notice of the facility's grievance procedure, as well as addresses and telephone numbers for the office of health facility complaints and the area nursing home ombudsman pursuant to the Older Americans Act, section 307(a)(12) shall be posted in a conspicuous place.

Subd. 21. [COMMUNICATION PRIVACY.] Patients and residents may associate and communicate privately with persons of their choice and enter and, except as provided by the Minnesota Commitment Act, leave the facility as they choose. Patients and residents shall have access, at their expense, to writing instruments, stationery, and postage. Personal mail shall be sent without interference and received unopened unless medically or programmatically contraindicated and documented by the physician in the medical record. There shall be access to a telephone where patients and residents can make and receive calls as well as speak privately. Facilities which are unable to provide a private area shall make reasonable arrangements to accommodate the privacy of patients' or residents' calls. This right is limited where medically inadvisable, as documented by the attending physician in a patient's or resident's care record. Where programmatically limited by a facility abuse prevention plan pursuant to section 626.557, subdivision 14, clause 2, this right shall also be limited accordingly.

Subd. 22. [PERSONAL PROPERTY.] Patients and residents may retain and use their personal clothing and possessions

as space permits, unless to do so would infringe upon rights of other patients or residents, and unless medically or programmatically contraindicated for documented medical, safety, or programmatic reasons. The facility must either maintain a central locked depository or provide individual locked storage areas in which residents may store their valuables for safekeeping. The facility may, but is not required to, provide compensation for or replacement of lost or stolen items.

Subd. 23. [SERVICES FOR THE FACILITY.] *Patients and residents shall not perform labor or services for the facility unless those activities are included for therapeutic purposes and appropriately goal-related in their individual medical record.*

Subd. 24. [CHOICE OF SUPPLIER.] *A resident may purchase or rent goods or services not included in the per diem rate from a supplier of his or her choice unless otherwise provided by law. The supplier shall ensure that these purchases are sufficient to meet the medical or treatment needs of the resident.*

Subd. 25. [FINANCIAL AFFAIRS.] *Competent residents may manage their personal financial affairs, or shall be given at least a quarterly accounting of financial transactions on their behalf if they delegate this responsibility in accordance with the laws of Minnesota to the facility for any period of time.*

Subd. 26. [RIGHT TO ASSOCIATE.] *Residents may meet with visitors and participate in activities of commercial, religious, political, as defined in section 203B.11 and community groups without interference at their discretion if the activities do not infringe on the right to privacy of other residents or are not programmatically contraindicated. This includes the right to join with other individuals within and outside the facility to work for improvements in long-term care.*

Subd. 27. [ADVISORY COUNCILS.] *Residents and their families shall have the right to organize, maintain, and participate in resident advisory and family councils. Each facility shall provide assistance and space for meetings. Council meetings shall be afforded privacy, with staff or visitors attending only upon the council's invitation. A staff person shall be designated the responsibility of providing this assistance and responding to written requests which result from council meetings. Resident and family councils shall be encouraged to make recommendations regarding facility policies.*

Subd. 28. [MARRIED RESIDENTS.] *Residents, if married, shall be assured privacy for visits by their spouses and, if both spouses are residents of the facility, they shall be permitted to share a room, unless medically contraindicated and documented by their physicians in the medical records.*

Subd. 29. [TRANSFERS AND DISCHARGES.] Residents shall not be arbitrarily transferred or discharged. Residents must be notified, in writing, of the proposed discharge or transfer and its justification no later than 30 days before discharge from the facility and seven days before transfer to another room within the facility. This notice shall include the resident's right to contest the proposed action, with the address and telephone number of the area nursing home ombudsman pursuant to the Older Americans Act, section 307(a)(12). The resident, informed of this right, may choose to relocate before the notice period ends. The notice period may be shortened in situations outside the facility's control, such as a determination by utilization review, the accommodation of newly-admitted residents, a change in the resident's medical or treatment program, the resident's own or another resident's welfare, or nonpayment for stay unless prohibited by the public program or programs paying for the resident's care, as documented in the medical record. Facilities shall make a reasonable effort to accommodate new residents without disrupting room assignments.

Sec. 2. Minnesota Statutes 1982, section 144.652, is amended to read.

144.652 [(POLICY STATEMENT) BILL OF RIGHTS NOTICE TO PATIENT OR RESIDENT; VIOLATION.]

Subdivision 1. [DISTRIBUTION; POSTING.] (THE POLICY STATEMENT CONTAINED IN) *Except as provided below, section 144.651 shall be posted conspicuously in a public place in all facilities licensed under the provisions of sections 144.50 to 144.58, or 144A.02 (OR ANY LAW PROVIDING FOR THE LICENSURE OF NURSING HOMES). Copies of the (POLICY STATEMENT) law shall be furnished the patient or resident and the patient or resident's guardian or conservator upon admittance to the facility. Facilities providing services to patients may delete section 144.651, subdivisions 24 to 29, and those portions of other subdivisions that apply only to residents, from copies posted or distributed to patients with appropriate notation that residents have additional rights under law. The policy statement shall include the address and telephone number of the board of medical examiners and/or the name and phone number of the person within the facility to whom inquiries about the medical care received may be directed. The notice shall include a brief statement describing how to file a complaint with the (NURSING HOME COMPLAINT TEAM OF THE HEALTH DEPARTMENT OR ANY DIVISION OR AGENCY OF STATE GOVERNMENT WHICH SUCCEEDS IT) office of health facility complaints established pursuant to section 144A.52 concerning a violation of section 144.651 or any other state statute or rule. This notice shall include the address and phone number of the office of health facility complaints.*

Subd. 2. [CORRECTION ORDER; EMERGENCIES.] A substantial violation of the rights of any *patient or resident* as defined in section 144.651, shall be grounds for issuance of a correction order pursuant to section 144.653 or 144A.10. The issuance or *nonissuance* of a correction order shall not preclude, *diminish, enlarge, or otherwise alter* private action by or on behalf of a *patient or resident* to enforce any *unreasonable violation* of his rights. *Compliance with the provisions of section 144.651 shall not be required whenever emergency conditions, as documented by the attending physician in a patient's medical record or a resident's care record, indicate immediate medical treatment, including but not limited to surgical procedures, is necessary and it is impossible or impractical to comply with the provisions of section 144.651 because delay would endanger the patient's or resident's life, health, or safety.*

Sec. 3. Minnesota Statutes 1982, section 145.93, subdivision 3, is amended to read:

Subd. 3. [GRANT AWARD; DESIGNATION; PAYMENTS UNDER GRANT.] (EACH) *Every odd-numbered year* the commissioner shall give reasonable public notice of the availability of (MONEYS) *money* appropriated (PURSUANT TO LAWS 1980, CHAPTER 577, SECTION 2) *or otherwise available for the purposes of this section.* After consulting with the advisory council, the commissioner shall select as grantee a nonprofit corporation or unit of government which applies for the moneys and best fulfills the criteria specified in subdivision 4. The grantee selected shall be designated the Minnesota poison information center. (MONEYS) *Money* appropriated (UNDER LAWS 1980, CHAPTER 577, SECTION 2) *or otherwise available for the purposes of this section* shall be paid to the grantee quarterly beginning on July 1."

Delete the title and insert:

"A bill for an act relating to health care facilities; clarifying the rights and responsibilities of patients and residents; amending Minnesota Statutes 1982, sections 144.651; 144.652; and 145.93, subdivision 3."

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

House Conferees: KAREN CLARK, TONY ONNEN and LEE GREENFIELD.

Senate Conferees: LINDA BERGLIN, NANCY BRATAAS and MARILYN M. LANTRY.

Clark, K., moved that the report of the Conference Committee on H. F. No. 365 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

H. F. No. 365, A bill for an act relating to health care facilities; clarifying the rights and responsibilities of patients and residents; amending Minnesota Statutes 1982, sections 144.651; and 144.652.

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 114 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Ellingson	Knuth	Osthoff	Simoneau
Anderson, G.	Erickson	Kostohryz	Otis	Skoglund
Battaglia	Evans	Krueger	Pauly	Solberg
Beard	Findlay	Larsen	Piepho	Sparby
Begich	Fjoslien	Levi	Piper	Stadum
Bergstrom	Forsythe	Long	Price	Swiggum
Berkelman	Greenfield	Ludeman	Quinn	Swanson
Blatz	Cruenes	Mann	Quist	Thiede
Brandt	Gustafson	Marsh	Redalen	Tomlinson
Briakman	Haukoos	McDonald	Rice	Tunheim
Burger	Heap	McEachern	Riveness	Uphus
Carlson, D.	Heinitz	Metzen	Rodosovich	Valan
Carlson, L.	Himle	Minn	Rodriguez, F.	Valento
Clark, J.	Hoberg	Munger	St. Onge	Vanasek
Clark, K.	Hoffman	Murphy	Schafer	Vellenga
Clawson	Hokr	Nelson, D.	Scheid	Waltman
Cohen	Jacobs	Nelson, K.	Schoenfeld	Welch
Coleman	Jennings	Norton	Schreiber	Welker
Dempsey	Jensen	O'Connor	Seaberg	Welle
DenOuden	Johnson	Ogren	Segal	Wenzel
Dimler	Kalis	Olsen	Shaver	Wynia
Eken	Kelly	Omann	Shea	Speaker Sieben
Elioff	Knickerbocker	Onnen	Sherman	

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

SPECIAL ORDERS

S. F. No. 1189 was reported to the House.

Skoglund and Heinitz moved to amend S. F. No. 1189, the second engrossment, as follows:

Page 3, line 5, after "agency" insert "; provided, that no employment agency or search firm may offer both services at the same location."

Page 3, after line 22, insert:

"Sec. 4. Minnesota Statutes 1982, section 184.22, is amended by adding a subdivision to read:

Subd. 5. [FEE PAYMENT PROHIBITED.] No employer may require any job candidate placed with the employer by a

search firm to pay, directly or indirectly, all or part of the search firm's fee."

Re-number succeeding sections

Page 4, after line 21, insert:

"Sec. 7. Minnesota Statutes 1982, section 184.37, is amended to read:

184.37 [CONTRACTS WITH APPLICANTS FOR EMPLOYMENT.]

Subdivision 1. [EMPLOYMENT AGENTS.] Every employment agent shall contract, in writing, with every applicant for employment for services to be rendered to the applicant by the employment agent, which contract shall contain the date, the name and address of the employment agency, the name of the employment agent, the service charge to be made to the applicant, and the time and method of payments, and, on either the face or back of the contract, shall appear the definition of "accept," "method of payment," "temporary position," and "charge for permanent position which proves to be temporary."

Subd. 2. [SEARCH FIRMS.] Every search firm must give to each job candidate a written agreement confirming that the candidate will in no instance become liable in whole or in part to pay a fee of any kind, directly or indirectly, on account of any service performed by the search firm. The agreement must be signed by both parties and a copy of it must be kept on file by the search firm for at least one year.

Sec. 8. Minnesota Statutes 1982, section 184.38, subdivision 6, is amended to read:

Subd. 6. (a) No employment agent or search firm shall send out any applicant for employment without having obtained a job order, and if no employment of the kind applied for existed at the place to which the applicant was directed, the employment agent or search firm shall refund to the applicant, within 48 hours of demand, any sums paid by the applicant for transportation in going to and returning from the place.

(b) Nothing in this chapter shall be construed to prevent an employment agent or search firm from directing an applicant to an employer where the employer has previously requested that he be accorded interviews with applicants of certain types and qualifications, even though no actual vacancy existed in the employer's organization at the time the applicant was so directed; nor shall it prevent the employment agent or search firm from attempting to sell the services of an applicant to the employer even though no order has been placed with the employment

agent or search firm; provided, that prior to scheduling an interview with an employer, when no opening currently exists with that employer, the applicant is clearly informed that no opening exists at that time.

Sec. 9. Minnesota Statutes 1982, section 184.38, subdivision 8, is amended to read:

Subd. 8. No employment agent or search firm shall knowingly cause to be printed or published a false or fraudulent notice or advertisement for help or for obtaining work or employment. For purposes of this subdivision the phrase "false or fraudulent notice or advertisement" shall include the following:

(a) The advertisement of any job for which there is no bona fide oral or written job order and completed job order form in existence at the time the advertisement is placed;

(b) The inclusion in any advertisement of any information concerning the identity, availability, features, or requirements of any advertised job when such information is not substantiated by, and included in, the supporting job order form;

(c) The advertisement of any job opening of the type described in subdivision 6, clause (b);

(d) The advertisement of any job without the inclusion in the advertisement of the "job order number" required in subdivision 18;

(e) If an applicant appears at any agency or search firm in response to the advertisement of a particular job, the failure to attempt placement of the applicant in the advertised job; provided however, that the agency or search firm may refuse to attempt such placement if the reason(s) for the refusal are clearly and truthfully disclosed to the applicant either orally or in writing.

Sec. 10. Minnesota Statutes 1982, section 184.38, subdivision 9, is amended to read:

Subd. 9. No employment agent or search firm shall place or assist in placing any person in unlawful employment.

Sec. 11. Minnesota Statutes 1982, section 184.38, subdivision 10, is amended to read:

Subd. 10. No employment agent or search firm shall fail to state in any advertisement, proposal, or contract for employment, that there is a strike or lockout at the place of proposed employment, if (HE) the agent or firm has knowledge that such condition exists.

Sec. 12. Minnesota Statutes 1982, section 184.38, subdivision 11, is amended to read:

Subd. 11. Any (PERSON, FIRM, OR CORPORATION) *employment agency, search firm, or employee of an employment agency or search firm* who shall split, divide, or share, directly or indirectly, any fee, charge, or compensation received from any employee with any employer, or person in any way connected with the business thereof, *or who splits, divides or shares, directly or indirectly, any fee, charge, or compensation received from any employer*, shall be punished by a fine of not less than \$100, and not more than \$1,000, or on failure to pay such fine by imprisonment for a period not to exceed one year, or both, at the discretion of the court.

Sec. 13. Minnesota Statutes 1982, section 184.38, subdivision 17, is amended to read:

Subd. 17. Except for applicant information given in the course of normal agency *or firm* operations, no employment agent *or search firm* shall voluntarily sell, give, or otherwise transfer any files, records, or other information relating to his employment agency *or search firm* applicants and employers to any person other than a licensed employment agent *or registered search firm* or a person who agrees to obtain an employment agency license *or register as a search firm*. Every employment agent *or search firm* who ceases to engage in the business of or act as an employment agent *or search firm* shall notify the department of such fact within 30 days thereof, and shall advise the department as to the disposition of all files and other records relating to his employment agency *or search firm* business.

Sec. 14. Minnesota Statutes 1982, section 184.38, subdivision 18, is amended to read:

Subd. 18. Every job order communicated to an agency *or search firm* shall be recorded by the agency *or search firm* on a job order form which form shall contain specific information as prescribed by the department. A job order form shall be filled out for each job order prior to any attempt to advertise the job opening or to place persons in said job. Such forms shall each be assigned a separate number and shall be maintained by the agency *or search firm* for a period of one year.

Sec. 15. Minnesota Statutes 1982, section 184.38, subdivision 19, is amended to read:

Subd. 19. No person shall be required to pay a fee to an employment agency *or search firm* for a position, whether temporary or permanent, if the applicant withdraws acceptance of (A) *the position (WITHIN THREE DAYS, EXCLUDING SATURDAY, SUNDAY AND LEGAL HOLIDAYS, OF SIGNING AN ACCEPTANCE FORM AND NOTIFIES THE AGENCY*

IN WRITING OF THE WITHDRAWAL, PROVIDED THAT THE APPLICANT DID NOT ACTUALLY START THE JOB. THE THREE DAY WITHDRAWAL PERIOD APPLIES REGARDLESS OF WHO IS TO PAY THE FEE TO THE EMPLOYMENT AGENCY).

Sec. 16. Minnesota Statutes 1982, section 184.38, is amended by adding a subdivision to read:

Subd. 20. No employment agent or search firm shall knowingly misrepresent to any employer the educational background, skills or qualifications of any job candidate; or knowingly misrepresent to a job candidate the responsibilities, salary or other features of any position of employment."

Renumber the remaining section

Page 4, line 30, after "the" insert "applicable"

Page 4, line 30, delete "section 184.22," and insert "this chapter"

Page 4, line 31, delete "subdivision 2"

Page 5, line 1, after "184.22" insert ", or who engages in the business of or acts as a search firm without first filing the registration required under section 184.22, subdivision 3,"

Page 5, line 1, strike "or" and after "counselor" insert ", or search firm"

Page 5, line 2, after "the" insert "applicable"

Page 5, line 3, strike "or" and after "counselor" insert ", or search firm"

Page 5, line 5, after "agency" insert "or search firm"

Page 5, line 5, after "license" insert "or registration"

Page 5, line 6, strike "or" and after "counselor" insert ", or search firm"

Amend the title as follows:

Page 1, line 6, after the semicolon insert "prohibiting certain practices; requiring certain practices;"

Page 1, line 8, after "1;" insert "184.37, by adding a subdivision; 184.38, subdivisions 6, 8, 9, 10, 11, 17, 18, 19, and by adding a subdivision;"

A roll call was requested and properly seconded.

The question was taken on the amendment and the roll was called. There were 72 yeas and 43 nays as follows:

Those who voted in the affirmative were:

Beard	Fjoslien	Krueger	Price	Sparby
Bergstrom	Graba	Kvam	Quist	Stadum
Bishop	Greenfield	Larsen	Redalen	Staten
Blatz	Gruenes	Levi	Reif	Swanson
Brandl	Cutknecht	Mann	Riveness	Tomlinson
Brinkman	Halberg	McKasy	Rodosovich	Tunheim
Burger	Haukoos	Metzen	Rodriguez, C.	Uphus
Carlson, L.	Heinitz	Munger	Rodriguez, F.	Vanasek
Clark, J.	Hoffman	Nelson, D.	Rose	Waltman
Clark, K.	Jensen	Nelson, K.	Schoenfeld	Welch
Cohen	Johnson	Norton	Schreiber	Welle
Coleman	Kelly	Olsen	Seaberg	Wynia
Ellingson	Knickerbocker	Onnen	Segal	
Erickson	Knuth	Osthoff	Simoneau	
Evans	Kostohryz	Piper	Skoglund	

Those who voted in the negative were:

Anderson, G.	Findlay	Marsh	Piepho	Thiede
Battaglia	Forsythe	McDonald	Quinn	Valan
Begich	Gustafson	Minne	Rice	Valento
Carlson, D.	Heap	Murphy	St. Onge	Vellenga
Dempsey	Himle	O'Connor	Schafer	Welker
DenOuden	Hoberg	Ogren	Scheid	Wenzel
Dimler	Jacobs	Omamn	Sherman	Speaker Sieben
Eken	Jennings	Otis	Solberg	
Elioff	Ludeman	Pauly	Sviggum	

The motion prevailed and the amendment was adopted.

S. F. No. 1189, A bill for an act relating to employment; exempting search firms from employment agency licensing; subjecting certain search firms to fee and bond requirements; requiring certain statements, fees, and bonds to be submitted at the time a search firm is established; amending Minnesota Statutes 1982, sections 184.22, subdivision 2, and by adding subdivisions; 184.29; 184.30, subdivision 1; and 184.41.

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 119 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Bergstrom	Brinkman	Clark, K.	DenOuden
Anderson, G.	Berkelman	Burger	Clawson	Dimler
Battaglia	Bishop	Carlson, D.	Cohen	Eken
Beard	Blatz	Carlson, L.	Coleman	Elioff
Begich	Brandl	Clark, J.	Dempsey	Ellingson

Erickson	Jensen	Munger	Rice	Stadum
Evans	Johnson	Murphy	Riveness	Staten
Findlay	Kahn	Nelson, D.	Rodosovich	Sviggum
Fjoslien	Kelly	Nelson, K.	Rodriguez, C.	Swanson
Forsythe	Knickerbocker	Norton	Rodriguez, F.	Thiede
Greenfield	Knuth	O'Connor	Rose	Tunheim
Gruenes	Kostohryz	Ogren	St. Onge	Uphus
Gustafson	Krueger	Olsen	Schafer	Valento
Gutknecht	Kvam	Omann	Scheid	Vanasek
Halberg	Larsen	Onnen	Schoenfeld	Vellenga
Haukoos	Levi	Osthoff	Schreiber	Voss
Heap	Long	Otis	Seaberg	Waltman
Heinitz	Ludeman	Pauly	Segal	Welch
Himle	Mann	Piepho	Shaver	Welker
Hoberg	Marsh	Piper	Sherman	Welle
Hoffman	McDonald	Price	Simoneau	Wenzel
Hokr	McKasy	Quinn	Skoglund	Wynia
Jacobs	Metzen	Quist	Solberg	Speaker Sieben
Jennings	Minne	Redalen	Sparby	

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

H. F. No. 547 was reported to the House.

Vanasek moved that H. F. No. 547 be continued on Special Orders for one day. The motion prevailed.

S. F. No. 1146 was reported to the House.

Bishop moved to amend S. F. No. 1146, as follows:

Page 3, after line 27, insert:

"Sec. 5. [CORRECTION TO THE TERMINOLOGY REPLACING "ILLEGITIMATE" AND SIMILAR PHRASES.]

Subdivision 1. Laws 1983, chapter 7, section 1, is amended to read:

Subd. 6. [PARENT.] "Parent" means (a) one of the pupil's parents, or (b) in the case of divorce or legal separation, or if the child's mother was not married to the child's father when the child was conceived (AND) *nor* when the child was born, the custodial parent.

Subd. 2. Laws 1983, chapter 7, section 2, is amended to read:

Subd. 2. [INFORMATION ABOUT CERTAIN BIRTHS.] Disclosure of information pertaining to the birth of a child to a woman who was not married to the child's father when the child was conceived (AND) *nor* when the child was born or information from which it can be ascertained, shall be made only to the guardian of the person, the person to whom the record pertains when the person is 18 years of age or older, a parent of the

person born to a mother who was not married to the child's father when the child was conceived (AND) *nor* when the child was born as provided by section 144.218, subdivision 1, or upon order of a court of competent jurisdiction. The birth and death records of the commissioner of health shall be open to inspection by the commissioner of public welfare and it shall not be necessary for him to obtain an order of the court in order to inspect records or to secure certified copies of them.

Subd. 3. Laws 1983, chapter 7, section 3, is amended to read:

Subd. 2. [SPECIFIC POWERS.] Subject to the provisions of section 241.021, subdivision 2, the commissioner of public welfare shall:

(1) Administer and supervise all forms of public assistance provided for by state law and other welfare activities or services as are vested in the commissioner.

(2) Administer and supervise all child welfare activities; promote the enforcement of laws protecting handicapped, dependent, neglected and delinquent children, and children born to mothers who were not married to the children's fathers at the times of the conception (AND) *nor at the births* of the children; license and supervise child-caring and child-placing agencies and institutions; supervise the care of children in boarding and foster homes or in private institutions; and generally perform all functions relating to the field of child welfare now vested in the state board of control.

(3) Administer and supervise all non-institutional service to handicapped persons. The commissioner may provide and contract for the care and treatment of qualified indigent children in facilities other than those located and available at state hospitals when it is not feasible to provide the service in state hospitals.

(4) Assist and actively cooperate with other departments, agencies and institutions, local, state, and federal, by performing services in conformity with the purposes of Laws 1939, Chapter 431.

(5) Act as the agent of and cooperate with the federal government in matters of mutual concern relative to and in conformity with the provisions of Laws 1939, Chapter 431, including the administration of any federal funds granted to the state to aid in the performance of any functions of the commissioner as specified in Laws 1939, Chapter 431, and including the promulgation of rules making uniformly available medical care benefits to all recipients of public assistance, at such times as the federal government increases its participation in assistance expenditures for medical care to recipients of public assistance,

the cost thereof to be borne in the same proportion as are grants of aid to said recipients.

(6) Establish and maintain any administrative units reasonably necessary for the performance of administrative functions common to all divisions of the department.

(7) Administer and supervise any additional welfare activities and services as are vested by law in the state department.

(8) The commissioner is designated as guardian of both the estate and the person of all the wards of the state of Minnesota, whether by operation of law or by an order of court, without any further act or proceeding whatever, except as to persons committed as mentally retarded or epileptic.

(9) Act as coordinating referral and informational center on requests for service for newly arrived immigrants coming to Minnesota.

(10) The specific enumeration of powers and duties as hereinabove set forth shall in no way be construed to be a limitation upon the general transfer of powers herein contained.

(11) Establish county, regional, or state-wide schedules of maximum fees and charges which may be paid by local agencies for medical, dental, surgical, hospital, nursing and nursing home care and medicine and medical supplies under all programs of medical care provided by the state and for congregate living care under the income maintenance programs.

(12) Have the authority to conduct and administer experimental projects to test methods and procedures of administering assistance and services to recipients or potential recipients of public welfare. To carry out such experimental projects, it is further provided that the commissioner of public welfare is authorized to waive the enforcement of existing specific statutory program requirements, regulations, and standards in one or more counties. The order establishing the waiver shall provide alternative methods and procedures of administration, shall not be in conflict with the basic purposes, coverage, or benefits provided by law, and in no event shall the duration of a project exceed two years. It is further provided that no order establishing an experimental project as authorized by the provisions of this section shall become effective until the following conditions have been met:

(a) The proposed comprehensive plan including estimated project costs and the proposed order establishing the waiver shall be filed with the secretary of the senate and chief clerk of the house of representatives at least 60 days prior to its effective date.

(b) The secretary of health, education, and welfare of the United States has agreed, for the same project, to waive state plan requirements relative to state-wide uniformity.

(c) A comprehensive plan, including estimated project costs, shall be approved by the legislative advisory commission and filed with the commissioner of administration.

(13) In accordance with federal requirements establish procedures to be followed by local welfare boards in creating citizen advisory committees, including procedures for selection of committee members.

(14) Promulgate, by rule, standards of administration to be applied by local welfare boards administering state and county financed programs of medical assistance pursuant to chapter 256B, general relief medical care pursuant to section 256D.02, subdivision 4 and medical, hospital, and surgical care for persons eligible for general assistance pursuant to chapter 256D, or for indigent persons whose costs of hospitalization are paid pursuant to sections 261.21 to 261.232. The rules shall specify a uniform standard of performance and a tolerated error rate, but shall not specify the minimum number of personnel to be employed by a local agency if the agency operates at the specified standard of performance or at or below the tolerated error rate. The commissioner may deduct from the earned administrative reimbursements of a county a penalty for the county's failure to comply with the standards of administration. The penalty shall be fixed by the commissioner as a percentage of the overexpenditure caused by improper administration, beyond an initial tolerated amount of overexpenditure. In the event that fiscal sanctions are imposed by the federal government because of improper administration of the programs, one half of the amount of the sanctions attributable to local agency performance shall be deducted from administrative reimbursement otherwise due the county.

Subd. 4. Laws 1983, chapter 7, section 4, is amended to read:

256.88 [SOCIAL WELFARE FUND ESTABLISHED.]

Except as otherwise expressly provided, all moneys and funds held by the commissioner of public welfare and the county welfare boards of the several counties in trust or for the benefit of handicapped, dependent, neglected, and delinquent children, children born to mothers who were not married to the children's fathers at the times of the conception (AND) *nor at the births* of the children, persons determined to be mentally retarded, mentally ill or chemically dependent, or other wards or beneficiaries, under any law, shall be kept in a single fund to be known as the "social welfare fund" which shall be deposited at interest, held, or disbursed as provided in sections 256.89 to 256.92.

Subd. 5. Laws 1983, chapter 7, section 5, is amended to read:

256.91 [PURPOSES.]

From that part of the social welfare fund held in the state treasury subject to disbursement as provided in section 256.90 the commissioner of public welfare at any time may pay out such amounts as he deems proper for the support, maintenance, or other legal benefit of any of the handicapped, dependent, neglected, and delinquent children, children born to mothers who were not married to the children's fathers at the times of the conception (AND) *nor at the* births of the children, persons found to be mentally retarded, chemically dependent or mentally ill, or other wards or persons entitled thereto, not exceeding in the aggregate to or for any person the principal amount previously received for the benefit of the person, together with the increase in it from an equitable apportionment of interest realized from the social welfare fund.

When any such person dies or is finally discharged from the guardianship, care, custody, and control of the commissioner of public welfare, the amount then remaining subject to use for the benefit of the person shall be paid as soon as may be from the social welfare fund to the persons thereto entitled by law.

Subd. 6. Laws 1983, chapter 7, section 6, is amended to read:

Subdivision 1. [LIMITATIONS.] In any case where the guardianship of the person of any handicapped, dependent, neglected or delinquent child, or a child born to a mother who was not married to the child's father when the child was conceived (AND) *nor* when the child was born, has been committed to the commissioner of public welfare, and in any case where the guardianship or conservatorship of the person of any mentally retarded or epileptic person has been committed to the commissioner of public welfare, the probate court having jurisdiction of the estate may on such notice as the court may direct, authorize the commissioner to take possession of the personal property in the estate, liquidate it, and hold the proceeds in trust for the ward, to be invested, expended and accounted for as provided by sections 256.88 to 256.92.

Subd. 7. Laws 1983, chapter 7, section 7, is amended to read:

Subdivision 1. [ACKNOWLEDGMENT BY PARENTS.] The mother and father of a child born to a mother who was not married to the child's father when the child was conceived (AND) *nor* when the child was born may, in a writing signed by both of them before a notary public, declare and acknowledge under oath that they are the biological parents of the child. The declaration may provide that any such child born to the mother at any time before or up to ten months after the date of execu-

tion of the declaration is the biological child of the signatories. Execution of the declaration shall:

(a) Have the same consequences as an acknowledgement by the signatories of parentage of the child for the purposes of sections 62A.041 and 62C.14, subdivision 5a;

(b) Be conclusive evidence that the signatories are parents of the child for the purposes of sections 176.111 and 197.09 to 197.11;

(c) Have the same consequences as an acknowledgement by the father of paternity of the child for the purposes of sections 257.57 and 257.66;

(d) When timely filed with the division of vital statistics of the Minnesota department of health as provided in section 259.261, qualify as an affidavit stating the intention of the signatories to retain parental rights as provided in section 259.261 if it contains the information required by section 259.261 or rules promulgated thereunder;

(e) Have the same consequences as a writing declaring paternity of the child for the purposes of section 525.172; and

(f) Be conclusive evidence that the signatories are parents of the child for the purposes of chapter 573.

Subd. 8. Laws 1983, chapter 7, section 8, is amended to read:

260.221 [GROUNDS FOR TERMINATION OF PARENTAL RIGHTS.]

The juvenile court may, upon petition, terminate all rights of a parent to a child in the following cases:

(a) With the written consent of a parent who for good cause desires to terminate his parental rights; or

(b) If it finds that one or more of the following conditions exist:

(1) That the parent has abandoned the child; or

(2) That the parent has substantially, continuously, or repeatedly refused or neglected to comply with the duties imposed upon that parent by the parent and child relationship, including but not limited to providing the child with necessary food, clothing, shelter, education, and other care and control necessary for the child's physical, mental or emotional health and development, if the parent is physically and financially able; or

(3) That a parent has been ordered to contribute to the support of the child or financially aid in the child's birth and has continuously failed to do so without good cause. This clause shall not be construed to state a grounds for termination of parental rights of a noncustodial parent if that parent has not been ordered to or cannot financially contribute to the support of the child or aid in the child's birth; or

(4) That a parent is palpably unfit to be a party to the parent and child relationship because of a consistent pattern of specific conduct before the child or of specific conditions directly relating to the parent and child relationship either of which are determined by the court to be permanently detrimental to the physical or mental health of the child; or

(5) That following upon a determination of neglect or dependency, reasonable efforts, under the direction of the court, have failed to correct the conditions leading to the determination; or

(6) That in the case of a child born to a mother who was not married to the child's father when the child was conceived (AND) *nor* when the child was born the person is not entitled to notice of an adoption hearing under section 259.26 and either the person has not filed a notice of his intention to retain parental rights under section 259.261 or that the notice has been successfully challenged; or

(7) That the child is neglected and in foster care.

Subd. 9. Laws 1983, chapter 7, section 9, is amended to read:

Subdivision 1. [PUBLIC CHILD WELFARE PROGRAM.]

a. To assist in carrying out the child protection, delinquency prevention and family assistance responsibilities of the state, the county welfare board shall administer a program of social services and financial assistance to be known as the public child welfare program. The public child welfare program shall be supervised by the commissioner of public welfare and administered by the county welfare board in accordance with law and with rules of the commissioner.

b. The purpose of the public child welfare program is to assure protection for and financial assistance to children who are confronted with social, physical, or emotional problems requiring protection and assistance. These problems include, but are not limited to the following:

(1) Mental, emotional, or physical handicap;

(2) Birth of a child to a mother who was not married to the child's father when the child was conceived (AND) *nor* when

the child was born, including but not limited to costs of prenatal care, confinement and other care necessary for the protection of a child born to a mother who was not married to the child's father at the time of the child's conception (AND) *nor at the birth*;

- (3) Dependency, neglect;
- (4) Delinquency;
- (5) Abuse or rejection of a child by its parents;
- (6) Absence of a parent or guardian able and willing to provide needed care and supervision;
- (7) Need of parents for assistance with child rearing problems, or in placing the child in foster care.

c. A county welfare board shall make the services of its public child welfare program available as required by law, by the commissioner, or by the courts and shall cooperate with other agencies, public or private, dealing with the problems of children and their parents as provided in this subdivision.

The public child welfare program shall be available in divorce cases for investigations of children and home conditions and for supervision of children when directed by the court hearing the divorce.

d. A county welfare board may rent, lease, or purchase property, or in any other way approved by the commissioner, contract with individuals or agencies to provide needed facilities for foster care of children. It may purchase services or child care from duly authorized individuals, agencies or institutions when in its judgment the needs of a child or his family can best be met in this way.

Subd. 10. Laws 1983, chapter 7, section 12, is amended to read:

Subdivision 1. [JURISDICTION.] The county court shall have concurrent jurisdiction in the following cases:

- (a) Proceedings for the administration of trust estates or actions relating thereto;
- (b) Proceedings for divorce, annulment, and legal separation, and actions related thereto, as prescribed by chapter 518;
- (c) Proceedings under the reciprocal enforcement of support act, chapter 518C;

(d) Proceedings for adoption and change of name under chapter 259;

(e) Proceedings to quiet title to real estate and real estate mortgage foreclosures by action; and

(f) Proceedings for the determination of paternity of and establishment and enforcement of child support payments for a child born to a mother who was not married to the child's father when the child was conceived (AND) *nor* when the child was born.

Subd. 11. Laws 1983, chapter 7, section 13, is amended to read:

525.172 [CERTAIN CHILDREN AS HEIRS.]

A child born to a mother who was not married to the child's father when the child was conceived (AND) *nor* when the child was born shall inherit from his mother the same as if the child was conceived (AND) *or* born to her while she was married, and also from the person who in writing and before a competent witness shall have declared himself to be his father, provided such writing or an authenticated copy thereof shall be produced in the proceeding in which it is asserted or from the person who has been determined to be the father of such child in a paternity proceeding before a court of competent jurisdiction; but such child shall not inherit from the kindred of the father by right of representation.

Subd. 12. Laws 1983, chapter 7, section 14, is amended to read:

525.173 [HEIRS TO CERTAIN CHILDREN.]

If any child born to a mother who was not married to the child's father when the child was conceived (AND) *nor* when the child was born dies intestate and without spouse or issue who inherit under the law, his estate shall descend to his mother, or in case of her prior decease to her heirs other than such child.

Subd. 13. Laws 1983, chapter 7, section 15, is amended to read:

609.37 [DEFINITION.]

As used in section 609.375, "child" means a child under the age of 16 years who is in necessitous circumstances and includes a child born to a mother who was not married to the child's father when the child was conceived (AND) *nor* when the child was born if the child's paternity has been duly established."

Renumber the remaining section

Amend the title as follows:

Page 1, line 3, after the semi-colon, insert "correcting terms used to replace the word illegitimate;"

Page 1, line 5, after "573.01" insert "; and Laws 1983, chapter 7, sections 1, 2, 3, 4, 5, 6, 7, 8, 9, 12, 13, 14, and 15"

The motion prevailed and the amendment was adopted.

S. F. No. 1146, A bill for an act relating to statutes; conforming certain laws to judicial decisions of unconstitutionality; amending Minnesota Statutes 1982, sections 65B.51, subdivision 1; 154.03; 570.02, subdivision 2; and 573.01.

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 0 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Evans	Kostohryz	Pauly	Solberg
Anderson, G.	Findlay	Krueger	Piepho	Sparby
Battaglia	Fjoslien	Kvam	Piper	Stadum
Beard	Forsythe	Larsen	Price	Staten
Begich	Graba	Levi	Quinn	Sviggum
Bergstrom	Greenfield	Long	Quist	Swanson
Berkelman	Gruenes	Ludeman	Redalen	Thiede
Bishop	Gustafson	Mann	Reif	Tomlinson
Blatz	Gutknecht	Marsh	Rice	Tunheim
Brandl	Halberg	McDonald	Riveness	Uphus
Brinkman	Haukoos	McEachern	Rodosovich	Valento
Burger	Heap	McKasy	Rodriguez, C.	Vanasek
Carlson, L.	Heinitz	Metzen	Rodriguez, F.	Vellenga
Clark, J.	Hinle	Minne	Rose	Waltman
Clark, K.	Hoffman	Munger	St. Onge	Welch
Clawson	Hokr	Murphy	Schafer	Welker
Cohen	Jacobs	Nelson, D.	Scheid	Welle
Coleman	Jennings	Nelson, K.	Schoenfeld	Wenzel
Dempsey	Jensen	O'Connor	Schreiber	Wigley
DenOuden	Johnson	Ogren	Seaberg	Wynia
Dimler	Kahn	Olsen	Segal	Speaker Sieben
Eken	Kalis	Omann	Shaver	
Elioff	Kelly	Onnen	Sherman	
Ellingson	Knickerbocker	Osthoff	Simoneau	
Erickson	Knuth	Otis	Skoglund	

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

H. F. No. 722 was reported to the House.

Jacobs moved that H. F. No. 722 be continued on Special Orders for one day. The motion prevailed.

H. F. No. 1106, A bill for an act relating to insurance; correcting certain errors; removing certain deficiencies and ambiguities; correcting certain omissions; expanding certain insurers' investment authority; providing standards for application or reporting requirements; authorizing the commissioner to adopt rules; providing for miscellaneous changes and clarifications; amending Minnesota Statutes 1982, sections 60A.11, subdivisions 9, 10, 14, 18, 20, 21, 23, and 24; 60A.111, subdivision 2, and by adding subdivisions; 61A.28, subdivisions 3, 6, and 12; 61A.29, subdivision 2; 61A.31, subdivision 3; repealing Minnesota Statutes 1982, section 60A.111, 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 119 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Erickson	Krueger	Otis	Skoglund
Anderson, G.	Evans	Kvam	Pauly	Solberg
Battaglia	Findlay	Larsen	Piepho	Sparby
Beard	Fjoslien	Levi	Piper	Stadum
Begich	Fetsythe	Long	Price	Staten
Bergstrom	Greenfield	Ludeman	Quinn	Sviggum
Berkelman	Gruenes	Mann	Quist	Swanson
Bishop	Gustafson	Marsh	Redalen	Thiede
Blatz	Gutknecht	McDonald	Reif	Tomlinson
Brandl	Halberg	McEachern	Rice	Tunheim
Brinkman	Haukoos	McKasy	Riveness	Uphus
Burger	Heinitz	Metzen	Rodosovich	Valan
Carlson, D.	Himle	Minne	Rodriguez, C.	Valento
Carlson, L.	Hoberg	Munger	Rodriguez, F.	Vanasek
Clark, J.	Hokr	Murphy	Rose	Vellenga
Clark, K.	Jacobs	Nelson, D.	St. Onge	Waltman
Clawson	Jennings	Nelson, K.	Schafer	Welch
Cohen	Jensen	Norton	Scheid	Welker
Coleman	Kahn	O'Connor	Schoenfeld	Welle
DenOuden	Kalis	Ogren	Schreiber	Wenzel
Dimler	Kelly	Olsen	Seaberg	Wigley
Eken	Knickerbocker	Omann	Shaver	Wynia
Elioff	Knuth	Onnen	Sherman	Speaker Sieben
Ellingson	Kostohryz	Osthoff	Simoneau	

The bill was passed and its title agreed to.

S. F. No. 1011 was reported to the House.

Riveness moved that S. F. No. 1011 be continued on Special Orders for one day. The motion prevailed.

S. F. No. 989 was reported to the House.

Ellingson moved to amend S. F. No. 989, as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1982, section 13.02, is amended by adding a subdivision to read:

Subd. 8a. [NOT PUBLIC DATA.] "Not public data" means any government data which is classified by statute, federal law, or temporary classification as confidential, private, nonpublic, or protected nonpublic.

Sec. 2. Minnesota Statutes 1982, section 13.03, subdivision 3, is amended to read:

Subd. 3. [REQUEST FOR ACCESS TO DATA.] Upon request to a responsible authority or designee, a person shall be permitted to inspect and copy *public* government data at reasonable times and places, and if the person requests, he shall be informed of the data's meaning. The responsible authority or designee shall provide copies of *public* government data upon request. The responsible authority may require the requesting person to pay the actual costs of making, certifying and compiling the copies. If the responsible authority or designee is not able to provide copies at the time a request is made he shall supply copies as soon as reasonably possible.

When a request under this subdivision involves any person's receipt of copies of public government data which is an entire formula, pattern, compilation, program, device, method, technique, process, data base, or system developed with a significant expenditure of public funds by the agency, the responsible authority may charge a reasonable fee for the information in addition to the costs of making, certifying, and compiling the copies. Any fee charged must be clearly demonstrated by the agency to relate to the actual development costs of the information. The responsible authority, upon the request of any person, shall provide sufficient documentation which explains and justifies the fee being charged.

If the responsible authority or designee determines that the requested data is classified so as to deny the requesting person access, the responsible authority or designee shall so inform the requesting person of the determination either orally at the time of the request, (AND) or in writing as soon (THEREAFTER) after that time as possible, and shall cite the (STATUTE) specific statutory section, temporary classification, or specific provision of federal law on which the determination is based. Upon the request of any person denied access to data, the responsible authority or designee shall certify in writing that the request has been denied and shall cite the specific statutory section, temporary classification or specific provision of federal law which was the basis for the denial.

Sec. 3. Minnesota Statutes 1982, section 13.03, subdivision 4, is amended to read:

Subd. 4. [CHANGE IN CLASSIFICATION OF DATA.]

The classification of data in the possession of an agency shall change if it is required to do so to comply with either judicial or administrative rules pertaining to the conduct of legal actions or with a specific statute applicable to the data in the possession of the disseminating or receiving agency.

If data on individuals can be classified as either private or confidential by any provision of this chapter, or any other statute or federal law, then the correct classification of the data shall be presumed to be private.

To the extent that government data is disseminated to state agencies, political subdivisions, or statewide systems by another state agency, political subdivision, or statewide system, the data disseminated shall have the same classification in the possession of the agency receiving it as it had in the possession of the entity providing it.

Sec. 4. Minnesota Statutes 1982, section 13.03, is amended by adding a subdivision to read:

Subd. 5. [DISCOVERABILITY OF NOT PUBLIC DATA.]

Access to data classified as not public may be sought by a party in a civil or criminal proceeding, whether administrative or judicial, by seeking discovery of the data pursuant to the appropriate rules of administrative, arbitration, civil, or criminal legal actions. The classification of data as not public shall not create a presumption that the data is not discoverable. The presiding officer shall decide whether the data is discoverable under the rules of civil, criminal, or administrative procedure appropriate to the action.

In addition, the hearing examiner, arbitrator, or judicial officer shall consider whether the benefit to the party seeking the data outweighs any harm to the confidentiality interests of the agency maintaining the data, or of any person who has provided the data or who is the subject of the data, or to the privacy interest of any individual identified in the data. The presiding officer may issue any protective orders he deems necessary to assure proper treatment of the data by the parties.

Sec. 5. Minnesota Statutes 1982, section 13.03, is amended by adding a subdivision to read:

Subd. 6. [COURT ORDERS.] *Data classified as not public may be provided, pursuant to a valid court order, to a party named in a civil or criminal proceeding, whether administrative or judicial. In determining whether or not to issue an order, or in any action brought to challenge an order previously issued, the hearing examiner, arbitrator, or judicial officer shall decide whether to order the data to be released under the rules of civil,*

criminal, or administrative procedure appropriate to the action. In addition the presiding officer shall consider whether the benefit to the party seeking the data outweighs any harm to the confidentiality interests of the agency maintaining the data, or of any person who has provided the data or who is identified in the data, or to the privacy interest of any individual identified in the data.

Sec. 6. Minnesota Statutes 1982, section 13.03, is amended by adding a subdivision to read:

Subd. 7. [DATA TRANSFERRED TO ARCHIVES.] When government data, which is classified as not public by this chapter or any other statute, is approved by the records disposition panel established by section 138.17 for preservation in the state archives, or is physically transferred to the state archives, the data shall no longer be classified as not public and access to and use of the data shall be governed by section 138.17.

Sec. 7. Minnesota Statutes 1982, section 13.04, subdivision 2, is amended to read:

Subd. 2. [INFORMATION REQUIRED TO BE GIVEN INDIVIDUAL.] An individual asked to supply private or confidential data concerning himself shall be informed of: (a) the purpose and intended use of the requested data within the collecting state agency, political subdivision or statewide system; (b) whether he may refuse or is legally required to supply the requested data; (c) any known consequence arising from his supplying or refusing to supply private or confidential data; and (d) the identity of other persons or entities authorized by state or federal law to receive the data. This requirement shall not apply when an individual is asked to supply investigative data, pursuant to section 13.82, subdivision 5, to a law enforcement officer.

Sec. 8. Minnesota Statutes 1982, section 13.04, subdivision 3, is amended to read:

Subd. 3. [ACCESS TO DATA BY INDIVIDUAL.] Upon request to a responsible authority, an individual shall be informed whether he is the subject of stored data on individuals, and whether it is classified as public, private or confidential. Upon his further request, an individual who is the subject of stored private or public data on individuals shall be shown the data without any charge to him and, if he desires, shall be informed of the content and meaning of that data. (AFTER AN INDIVIDUAL HAS BEEN SHOWN THE PRIVATE DATA AND INFORMED OF ITS MEANING, THE DATA NEED NOT BE DISCLOSED TO HIM FOR SIX MONTHS THEREAFTER UNLESS A DISPUTE OR ACTION PURSUANT TO THIS SECTION IS PENDING OR ADDITIONAL DATA ON THE INDIVIDUAL HAS BEEN COLLECTED OR CREATED.)

The responsible authority shall provide copies of the private or public data upon request by the individual subject of the data. The responsible authority may require the requesting person to pay the actual costs of making, certifying, and compiling the copies.

The responsible authority shall comply immediately, if possible, with any request made pursuant to this subdivision, or within five days of the date of the request, excluding Saturdays, Sundays and legal holidays, if immediate compliance is not possible. If he cannot comply with the request within that time, he shall so inform the individual, and may have an additional five days within which to comply with the request, excluding Saturdays, Sundays and legal holidays.

Sec. 9. Minnesota Statutes 1982, section 13.05, subdivision 3, is amended to read:

Subd. 3. [GENERAL STANDARDS FOR COLLECTION AND STORAGE.] Collection and storage of (PUBLIC, PRIVATE OR CONFIDENTIAL) *all* data on individuals and *the* use and dissemination of private and confidential data on individuals shall be limited to that necessary for the administration and management of programs specifically authorized by the legislature, local governing body or mandated by the federal government.

Sec. 10. Minnesota Statutes 1982, section 13.05, subdivision 7, is amended to read:

Subd. 7. [PREPARATION OF SUMMARY DATA.] The use of summary data derived from private or confidential data on individuals under the jurisdiction of one or more responsible authorities shall be permitted. Unless classified pursuant to section 13.06, *another statute or federal law*, summary data is public. The responsible authority shall prepare summary data from private or confidential data on individuals upon the request of any person, provided that the request is in writing and the cost of preparing the summary data is borne by the requesting person. The responsible authority may delegate the power to prepare summary data (1) to the administrative officer responsible for any central repository of summary data; or (2) to a person outside of its agency if the person, in writing, sets forth his purpose and agrees not to disclose, and the agency reasonably determines that the access will not compromise private or confidential data on individuals.

Sec. 11 Minnesota Statutes 1982, section 13.05, subdivision 9, is amended to read:

Subd. 9. [INTERGOVERNMENTAL ACCESS OF DATA.] A responsible authority shall allow another responsible authority access to data classified as not public only when the access is authorized or required by statute or federal law. An agency that supplies government data under this subdivision may require the requesting agency to pay the actual cost of supplying the data.

(DATA SHALL HAVE THE SAME CLASSIFICATION IN THE HANDS OF THE AGENCY RECEIVING IT AS IT HAD IN THE AGENCY PROVIDING IT.)

Sec. 12. Minnesota Statutes 1982, section 13.06, subdivision 1, is amended to read:

Subdivision 1. [APPLICATION TO COMMISSIONER.] Notwithstanding the provisions of section 13.03, the responsible authority of a state agency, political subdivision or statewide system may apply to the commissioner for permission to classify data or types of data on individuals as private or confidential, or data not on individuals as non-public or protected non-public, for its own use and for the use of other similar agencies, political subdivisions or statewide systems on a temporary basis until a proposed statute can be acted upon by the legislature. The application for temporary classification is public.

Upon the filing of an application for temporary classification, the data which is the subject of the application shall be deemed to be classified as set forth in the application for a period of 45 days, or until the application is disapproved, *rejected*, or granted by the commissioner, whichever is earlier.

If the commissioner determines that an application has been submitted for purposes not consistent with this section, the commissioner may immediately reject the application, give notice of that rejection to the applicant, and return the application. When the applicant receives the notice of rejection from the commissioner, the data which was the subject of the application shall have the classification it had before the application was submitted to the commissioner.

Sec. 13. Minnesota Statutes 1982, section 13.06, subdivision 6, is amended to read:

Subd. 6. [EXPIRATION OF TEMPORARY CLASSIFICATION.] (EMERGENCY CLASSIFICATIONS GRANTED BEFORE JULY 1, 1979 ARE REDESIGNATED AS TEMPORARY CLASSIFICATIONS.) All temporary classifications granted under this section (PRIOR TO APRIL 24, 1980 AND

STILL IN EFFECT, AND ALL TEMPORARY CLASSIFICATIONS THEREAFTER APPLIED FOR AND GRANTED PURSUANT TO THIS SECTION) shall expire (ON JULY 31, 1981 OR) 24 months after the classification is granted (, WHICHEVER OCCURS LATER.)

Sec. 14. Minnesota Statutes 1982, section 13.31, subdivision 2, is amended to read:

Subd. 2. [PUBLIC DATA.] The names and addresses of applicants for and recipients of benefits (CHARACTERIZED AS THE URBAN HOMESTEADING, HOME OWNERSHIP, AND NEW HOUSING PROGRAMS OPERATED BY A HOUSING AND REDEVELOPMENT AUTHORITY IN A CITY OF THE FIRST CLASS), *aid, or assistance through programs administered by any political subdivision, state agency, or statewide system that are intended to assist with the purchase of housing or other real property* are classified as public data on individuals.

Sec. 15. Minnesota Statutes 1982, section 13.41, is amended by adding a subdivision to read:

Subd. 5. [RELEASING DATA.] *A licensing agency may make data classified as private or confidential pursuant to this section accessible to any person, agency, or the public if the licensing agency determines that the access will aid the law enforcement process, promote public health or safety, or dispel widespread rumor or unrest.*

Sec. 16. Minnesota Statutes 1982, section 13.43, subdivision 2, is amended to read:

Subd. 2. Except for employees described in subdivision 5, the following personnel data on current and former employees, volunteers and independent contractors of a state agency, statewide system or political subdivision and members of advisory boards or commissions is public: name; actual gross salary; salary range; contract fees; actual gross pension; the value and nature of employer paid fringe benefits; the basis for and the amount of any added remuneration, including expense reimbursement, in addition to salary; job title; job description; education and training background; previous work experience; date of first and last employment; the status of any complaints or charges against the employee, whether or not the complaint or charge resulted in a disciplinary action; and the final disposition of any disciplinary action and supporting documentation; work location; a work telephone number; badge number; honors and awards received; (DATA WHICH ACCOUNTS FOR THE INDIVIDUAL'S WORK) *time sheets or other comparable data which account for employee's work time, except to the extent*

that release of time sheet data would reveal the employee's reasons for the use of sick or other medical leave; and, city and county of residence.

Sec. 17. Minnesota Statutes 1982, section 13.43, is amended by adding a subdivision to read:

Subd. 8. [INTERNAL AFFAIRS DATA.] Data collected, created, and maintained by law enforcement agencies in investigations of agency personnel, including statements made to law enforcement agencies by individuals, shall be considered personnel data for purposes of this chapter.

Sec. 18. Minnesota Statutes 1982, section 13.44, is amended to read:

13.44 [PROPERTY COMPLAINT DATA.]

The (NAMES) *identities* of individuals who register complaints with state agencies or political subdivisions concerning violations of state laws or local ordinances concerning the use of real property are classified as confidential, pursuant to section 13.02, subdivision 3.

Sec. 19. Minnesota Statutes 1982, section 13.46, subdivision 2, is amended to read:

Subd. 2. [GENERAL.] Unless the data is summary data or a statute specifically provides a different classification, data on individuals collected, maintained, used or disseminated by the welfare system is private data on individuals, and shall not be disclosed except:

- (a) pursuant to section 13.05;
- (b) pursuant to a valid court order;
- (c) pursuant to a statute specifically authorizing access to the private data;
- (d) to an agent of the welfare system, including appropriate law enforcement personnel, who are acting in the investigation, prosecution, criminal or civil proceeding relating to the administration of a program;
- (e) to personnel of the welfare system who require the data to determine eligibility, amount of assistance, and the need to provide services of additional programs to the individual;
- (f) to administer federal funds or programs; or

(g) between personnel of the welfare system working in the same program.

Data on individual clients or patients of community mental health centers or mental health divisions of counties and other providers under contract to deliver mental health services shall be treated as provided in sections 19, 20, and 21.

Sec. 20. Minnesota Statutes 1982, section 13.46, is amended by adding a subdivision to read:

Subd. 7. [MENTAL HEALTH CENTER DATA.] Data on individual clients and patients of public or private community mental health centers or mental health divisions of counties and other providers under contract to deliver mental health services shall not be disclosed, except:

(a) pursuant to section 13.05;

(b) pursuant to a valid court order; or

(c) pursuant to a statute specifically authorizing access to or disclosure of private data.

Sec. 21. Minnesota Statutes 1982, section 13.46, is amended by adding a subdivision to read:

Subd. 8. [ACCESS FOR AUDITING.] To the extent required by state or federal law, qualified representatives of federal, state, or local agencies shall have access to data maintained by public or private community mental health centers, mental health divisions of counties, and other providers under contract to deliver mental health services which is necessary to achieve the purpose of auditing. Public or private community mental health centers, mental health divisions of counties, and other providers under contract to deliver mental health services shall not permit this data to identify any particular patient or client by name or contain any other unique personal identifier.

Sec. 22. Minnesota Statutes 1982, section 13.46, is amended by adding a subdivision to read:

Subd. 9. [FRAUD.] In cases of suspected fraud, when access to mental health data maintained by public or private community mental health centers or mental health divisions of counties and other providers under contract to deliver mental health services is necessary to a proper investigation, the county board or the appropriate prosecutorial authority shall refer the matter to the commissioner of public welfare. The commissioner and his agents, while maintaining the privacy rights of individuals and families, shall have access to mental health data to conduct an investigation. If, as a result of the investigation, the

commissioner deems it appropriate, he shall refer the matter to the appropriate legal authorities and may disseminate to those authorities whatever mental health data are necessary to properly prosecute the case.

Sec. 23. [13.58] [HOMESTEAD APPLICATION DATA.]

The following data collected and maintained by political subdivisions are classified as private data, pursuant to section 13.02, subdivision 12: the social security account numbers and detailed financial data submitted by individuals who are applying for Class 3CC homestead classifications pursuant to section 273.13.

Sec. 24. [13.59] [REDEVELOPMENT DATA.]

Subdivision 1. [PRIVATE DATA.] The following data collected in surveys of individuals conducted by cities and housing and redevelopment authorities for the purposes of planning, development, and redevelopment, are classified as private data, pursuant to section 13.02, subdivision 12: the names and addresses of individuals and the legal descriptions of property owned by individuals.

Subd. 2. [NONPUBLIC DATA.] The following data collected in surveys of businesses conducted by cities and housing and redevelopment authorities, for the purposes of planning, development, and redevelopment, are classified as nonpublic data, pursuant to section 13.02, subdivision 9: the names, addresses, and legal descriptions of business properties and the commercial use of the property to the extent disclosure of the use would identify a particular business.

Sec. 25. [13.64] [DEPARTMENT OF ADMINISTRATION DATA.]

Data on individuals that could reasonably be used to determine the identity of an individual supplying data for an audit, study, or investigation are classified as private data pursuant to section 13.02, subdivision 12, if (a) the data supplied by the individual were needed for an audit, study, or investigation, and (b) the data would not have been provided to the management analysis division without assurance to the individual that his identity would remain private.

Sec. 26. Minnesota Statutes 1982, section 13.67, is amended to read as follows:

13.67 [EMPLOYEE RELATIONS DATA.]

The following data collected, created or maintained by the department of employee relations are classified as nonpublic data pursuant to section 13.02, subdivision 9:

(a) The commissioner's plan prepared by the department, pursuant to section 3.855, which governs the compensation and terms and conditions of employment for employees not covered by collective bargaining agreements until the plan is submitted to the legislative commission on employee relations;

(b) Data pertaining to grievance or interest arbitration that has not been presented to the arbitrator or other party during the arbitration process; (AND)

(c) Notes and preliminary drafts of reports prepared during personnel investigations and personnel management reviews of state departments and agencies; and

(d) *The managerial plan prepared by the department, pursuant to section 43A.18, which governs the compensation and terms and conditions of employment for employees in managerial positions, as specified in section 43A.18, subdivision 3, and for employees in the career executive service pursuant to section 43A.18, subdivision 3, clause (c), until the plan is submitted to the legislative commission on employee relations.*

Sec. 27. [13.74] [ENVIRONMENTAL QUALITY DATA.]

The following data collected and maintained by the environmental quality board are classified as private data, pursuant to section 13.02, subdivision 12: the names and addresses of individuals who submitted information and letters concerning personal health problems associated with high voltage power lines.

Sec. 28. [EFFECTIVE DATE.]

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

Delete the title and insert:

"A bill for an act relating to collection and dissemination of data; classifying government data as public, private, and non-public; clarifying issues relating to classifications of data, access to data, and the temporary classification of data; refining provisions of the data practices act; amending Minnesota Statutes 1982, sections 13.02, by adding a subdivision; 13.03, subdivisions 3 and 4, and by adding subdivisions; 13.04, subdivisions 2 and 3; 13.05, subdivisions 3, 7, and 9; 13.06, subdivisions 1 and 6; 13.31, subdivision 2; 13.41, by adding a subdivision; 13.43, subdivision 2, and by adding a subdivision; 13.44; 13.46, subdivision 2, and by adding subdivisions; 13.67; and proposing new law coded in Minnesota Statutes, chapter 13."

The motion prevailed and the amendment was adopted.

Ellingson moved to amend S. F. No. 989, as amended, as follows:

Page 9, after line 14, insert:

"Sec. 19. Minnesota Statutes 1982, section 13.46, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] As used in this section:

(a) "Individual" means an individual pursuant to section 13.02, subdivision 8, but does not include a vendor of services.

(b) "Program" includes all programs for which authority is vested in a component of the welfare system pursuant to statute or federal law.

(c) "Welfare system" includes the department of public welfare, county welfare boards, *county welfare agencies*, human services boards, community mental health center boards, state hospitals, state nursing homes, and persons, agencies, institutions, organizations and other entities under contract to any of the above agencies to the extent specified in the contract."

Page 11, after line 7, insert:

"Sec. 24. Minnesota Statutes 1982, section 13.46, is amended by adding a subdivision to read:

Subd. 10. [RESPONSIBLE AUTHORITY.] Notwithstanding any other provision of chapter 13 to the contrary, the responsible authority for each component of the welfare system listed in subdivision 1, clause (c), shall be as follows:

(a) *The responsible authority for the department of public welfare, state hospitals and state nursing homes is the commissioner of the department of public welfare;*

(b) *The responsible authority of a county welfare agency is the director of the county welfare agency;*

(c) *The responsible authority for a county welfare board, human services board or community mental health center board is the chairman of the board; and*

(d) *The responsible authority of any person, agency, institution, organization or other entity under contract to any of the components of the welfare system listed in subdivision 1, clause (c) of this section is the person specified in the contract.*

A responsible authority shall allow another responsible authority in the welfare system access to data classified as not pub-

lic when access is necessary for the administration and management of programs, or is authorized or required by statute or federal law."

Renumber the section numbers and internal cross-references in this amendment and the amended bill as required by this amendment

Amend the title as follows:

Page 13, line 14, delete "subdivision" and insert "subdivisions 1,"

The motion prevailed and the amendment was adopted.

Minne moved to amend S. F. No. 989, as amended.

POINT OF ORDER

Dempsey raised a point of order pursuant to rule 3.10 that the amendment was not in order. The Speaker ruled the point of order well taken and the amendment out of order.

S. F. No. 989, A bill for an act relating to collection and dissemination of data; classifying government data as public, private, and nonpublic; clarifying issues relating to classifications of data, access to data, the effect of death of individuals on classifications, and the temporary classification of data; refining provisions of the data practice act; amending Minnesota Statutes 1982, sections 13.02, subdivision 8, and by adding a subdivision; 13.03, subdivisions 3 and 4, and by adding subdivisions; 13.04, subdivision 2; 13.05, subdivisions 3, 7, 9, and 10, and by adding a subdivision; 13.06, subdivisions 1 and 6; 13.31, subdivision 2; 13.41, by adding a subdivision; 13.43, subdivision 2; 13.44; 13.46, subdivision 2, and by adding subdivisions; 13.67; 144.335, subdivision 2; and 253B.03, subdivision 8; proposing new law coded in Minnesota Statutes, chapter 13.

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

The question was taken on the passage of the bill and the roll was called. There were 113 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Bishop	Clark, K.	Elioff	Greenfield
Anderson, G.	Blatz	Clawson	Ellingson	Gruenes
Battaglia	Brandl	Cohen	Erickson	Gustafson
Beard	Brinkman	Coleman	Evans	Gutknecht
Begich	Burger	Dempsey	Findlay	Halberg
Bergstrom	Carlson, D.	DenOuden	Fjoslien	Haukoos
Berkelman	Carlson, L.	Dimler	Forsythe	Heap

Heinitz	Levi	Onnen	St. Onge	Thiede
Himle	Long	Osthoff	Schafer	Tomlinson
Hoberg	Ludeman	Pauly	Scheid	Tunheim
Hokr	Mann	Piepho	Schreiber	Uphus
Jennings	Marsh	Piper	Seaberg	Valento
Jensen	McEachern	Price	Segal	Vellenga
Johnson	McKasy	Quinn	Shaver	Waltman
Kahn	Metzen	Quist	Shea	Welch
Kalis	Munger	Redalen	Sherman	Welker
Kelly	Murphy	Reif	Simoneau	Welle
Knickerbocker	Nelson, D.	Rice	Skoglund	Wenzel
Knuth	Nelson, K.	Riveness	Solberg	Wigley
Kostohryz	Norton	Rodosovich	Sparby	Wynia
Krueger	Ogren	Rodriguez, C.	Staten	Speaker Sieben
Kvam	Olsen	Rodriguez, F.	Sviggum	
Larsen	Omann	Rose	Swanson	

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

S. F. No. 683 was reported to the House.

McEachern moved to amend S. F. No. 683, as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1982, section 125.12, is amended by adding a subdivision to read:

Subd. 1a. [NONPROVISIONAL LICENSE DEFINED.] For purposes of this section, "nonprovisional license" shall mean an entrance, continuing, or life license.

Sec. 2. Minnesota Statutes 1982, section 125.12, subdivision 6a, is amended to read:

Subd. 6a. [NEGOTIATED UNREQUESTED LEAVE OF ABSENCE.] The school board and the exclusive bargaining representative of the teachers may negotiate a plan providing for unrequested leave of absence without pay or fringe benefits for as many teachers as may be necessary because of discontinuance of position, lack of pupils, financial limitations, or merger of classes caused by consolidation of districts. Failing to successfully negotiate such a plan, the provisions of subdivision 6b shall apply. *The negotiated plan shall not include provisions which would result in the exercise of seniority by a teacher holding a provisional license, other than a vocational education license, contrary to the provisions of subdivision 6b, clause (c), or the reinstatement of a teacher holding a provisional license, other than a vocational education license, contrary to the provisions of subdivision 6b, clause (e).* The provisions of section 179.72 shall not apply for the purposes of this subdivision.

Sec. 3. Minnesota Statutes 1982, section 125.12, subdivision 6b, is amended to read:

Subd. 6b. [UNREQUESTED LEAVE OF ABSENCE.] The school board may place on unrequested leave of absence, without pay or fringe benefits, as many teachers as may be necessary because of discontinuance of position, lack of pupils, financial limitations, or merger of classes caused by consolidation of districts. The unrequested leave shall be effective at the close of the school year. In placing teachers on unrequested leave, the board shall be governed by the following provisions:

(a) The board may place probationary teachers on unrequested leave first in the inverse order of their employment. No teacher who has acquired continuing contract rights shall be placed on unrequested leave of absence while probationary teachers are retained in positions for which the teacher who has acquired continuing contract rights is licensed;

(b) Teachers who have acquired continuing contract rights shall be placed on unrequested leave of absence in fields in which they are licensed in the inverse order in which they were employed by the school district. In the case of equal seniority, the order in which teachers who have acquired continuing contract rights shall be placed on unrequested leave of absence in fields in which they are licensed shall be negotiable;

(c) Notwithstanding the provisions of clause (b), no teacher shall be entitled to exercise any seniority when that exercise results in that teacher being retained by the district in a field for which the teacher holds only a provisional license, as defined by the board of teaching, unless that exercise of seniority results in the placement on unrequested leave of absence of another teacher who also holds a provisional license in the same field. The provisions of this clause shall not apply to vocational education licenses;

((C)) (d) Notwithstanding clauses (a) (AND), (b) and (c), if (EITHER) the placing of a probationary teacher on unrequested leave before a teacher who has acquired continuing rights, (OR) the placing of a teacher who has acquired continuing contract rights on unrequested leave before another teacher who has acquired continuing contract rights but who has greater seniority, *or the restriction imposed by the provisions of clause (c) would place the district in violation of its affirmative action program, the district may retain the probationary teacher (OR), the teacher with less seniority, or the provisionally licensed teacher;*

((D)) (e) Teachers placed on unrequested leave of absence shall be reinstated to the positions from which they have been given leaves of absence or, if not available, to other available positions in the school district in fields in which they are licensed. Reinstatement shall be in the inverse order of placement on leave of absence. *No teacher shall be reinstated to a position in a field in which the teacher holds only a provisional license,*

other than a vocational education license, while another teacher who holds a nonprovisional license in the same field remains on unrequested leave. The order of reinstatement of teachers who have equal seniority and who are placed on unrequested leave in the same school year shall be negotiable;

((E)) (f) No appointment of a new teacher shall be made while there is available, on unrequested leave, a teacher who is properly licensed to fill such vacancy, unless the teacher fails to advise the school board within 30 days of the date of notification that a position is available to (HIM) *that teacher*, that he or she may return to employment and that he or she will assume the duties of the position to which appointed on a future date determined by the board;

((F)) (g) A teacher placed on unrequested leave of absence may engage in teaching or any other occupation during the period of this leave;

((G)) (h) The unrequested leave of absence shall not impair the continuing contract rights of a teacher or result in a loss of credit for previous years of service;

((H)) (i) The unrequested leave of absence of a teacher who is placed on unrequested leave of absence prior to January 1, 1978 and who is not reinstated shall continue for a period of two years after which the right to reinstatement shall terminate. The unrequested leave of absence of a teacher who is placed on unrequested leave of absence on or after January 1, 1978 and who is not reinstated shall continue for a period of five years, after which the right to reinstatement shall terminate; provided the teacher's right to reinstatement shall also terminate if he or she fails to file with the board by April 1 of any year a written statement requesting reinstatement;

((I)) (j) The same provisions applicable to terminations of probationary or continuing contracts in subdivisions 3 and 4 shall apply to placement on unrequested leave of absence;

((J)) (k) Nothing in this subdivision shall be construed to impair the rights of teachers placed on unrequested leave of absence to receive unemployment compensation if otherwise eligible.

Sec. 4. Minnesota Statutes 1982, section 125.17, subdivision 1, is amended to read:

Subdivision 1. [WORDS, TERMS, AND PHRASES.] Unless the language or context clearly indicates that a different meaning is intended, the following words, terms, and phrases, for the purposes of the following subdivisions in this section shall be defined as follows:

(a) [TEACHERS.] The term "teacher" includes every person regularly employed, as a principal, or to give instruction in a classroom, or to superintend or supervise classroom instruction, or as placement teacher and visiting teacher. Persons regularly employed as counselors and school librarians shall be covered by these sections as teachers if licensed as teachers or as school librarians.

(b) [SCHOOL BOARD.] The term "school board" includes a majority in membership of any and all boards or official bodies having the care, management, or control over public schools.

(c) [DEMOTE.] The word "demote" means to reduce in rank or to transfer to a lower branch of the service or to a position carrying a lower salary or compensation.

(d) [NONPROVISIONAL LICENSE.] *For purposes of this section, "nonprovisional license" shall mean an entrance, continuing, or life license.*

Sec. 5. Minnesota Statutes 1982, section 125.17, subdivision 11, is amended to read:

Subd. 11. [SERVICES TERMINATED BY DISCONTINUANCE OR LACK OF PUPILS; PREFERENCE GIVEN.] (a) Any teacher whose services are terminated on account of discontinuance of position or lack of pupils shall receive first consideration for other positions in the district for which (SHE) *that teacher* is qualified. In the event it becomes necessary to discontinue one or more positions, in making such discontinuance, teachers shall be discontinued in any department in the inverse order in which they were employed.

(b) *Notwithstanding the provisions of clause (a), no teacher shall be entitled to exercise any seniority when that exercise results in that teacher being retained by the district in a field for which the teacher holds only a provisional license, as defined by the board of teaching, unless that exercise of seniority results in the termination of services, on account of discontinuance of position or lack of pupils, of another teacher who also holds a provisional license in the same field. The provisions of this clause shall not apply to vocational education licenses.*

(c) *Notwithstanding the provisions of clause (a), no teacher shall be reinstated to a position in a field in which the teacher holds only a provisional license, other than a vocational education license, while another teacher who holds a nonprovisional license in the same field is available for reinstatement.*

Sec. 6. Laws 1974, chapter 237, section 1, is amended to read:

Sec. 1. [INDEPENDENT SCHOOL DISTRICT NO. 709; TERMINATION OF TEACHING POSITIONS.] Independent School District No. 709, St. Louis county, and the exclusive representative of teachers as defined by Minnesota Statutes, 1973 Supplement, Section 179.63, Subdivision 13, may enter into a written agreement with respect to the termination of such teachers due to discontinuance of position or lack of pupils within the school district, which may include a method, system or scheme other than that provided by Minnesota Statutes, Section 125.17, Subdivision 11, or any act amendatory thereof. *The written agreement entered into pursuant to this section shall not include provisions allowing a teacher to exercise any seniority when that exercise results in the teacher being retained by the district in a field for which the teacher holds only a provisional license, as defined by the board of teaching, other than vocational education license, unless that exercise of seniority results in the termination of services, on account of discontinuance of position or lack of pupils, of another teacher who also holds a provisional license in the same field. In addition, the written agreement entered into pursuant to this section shall not include provisions allowing a teacher to be reinstated to a position in a field in which the teacher holds only a provisional license, other than a vocational education license, while another teacher who holds a nonprovisional license in the same field is available for reinstatement.*

Sec. 7. [EXEMPTION FROM APPLICATION.]

The provisions of sections 1 to 6 shall not apply to any final decisions relating to placing teachers, as defined in Minnesota Statutes 1982, section 125.12, subdivision 1, on unrequested leaves of absence or, in the case of cities of the first class, termination of services of teachers, as defined in Minnesota Statutes 1982, section 125.17, subdivision 1, on account of discontinuance of position or lack of pupils made by school boards prior to the effective date of this act. The provisions of this act shall not apply to any school district that, on the effective date of this act, is governed by a contractual agreement which includes specific terms explicitly allowing the exercise of seniority rights by teachers holding provisional licenses, the results of which would be contrary to the provisions of this act, until the expiration of that contractual agreement. All contractual agreements entered into after the effective date of this act shall be consistent with this act.

Sec. 8. [EFFECTIVE DATE.]

This act shall be effective the day after final enactment."

Delete the title and insert:

"A bill for an act relating to education; modifying the exercise of seniority by licensed teachers in certain circumstances;

amending Minnesota Statutes 1982, sections 125.12, subdivisions 6a and 6b, and by adding a subdivision; and 125.17, subdivisions 1 and 11; and Laws 1974, chapter 237, section 1."

The motion prevailed and the amendment was adopted.

The Speaker called Wynia to the Chair.

S. F. No. 683, A bill for an act relating to education; prohibiting certain licenses for teachers; proposing new law coded in Minnesota Statutes, chapter 125.

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 83 yeas and 25 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Graba	Knickerbocker	Onnen	Sviggum
Beard	Gruenes	Knuth	Pauly	Thiede
Bergstrom	Gustafson	Krueger	Piepho	Tomlinson
Berkelman	Gutknecht	Kvam	Piper	Tunheim
Blatz	Halberg	Larsen	Price	Valan
Brandl	Haukoos	Levi	Quist	Valento
Brinkman	Heap	Ludeman	Rivness	Vanasek
Burger	Heinitz	Mann	Rodosovich	Vellenga
Carlson, D.	Himle	Marsh	Rodriguez, C.	Waltman
Clawson	Hoberg	McEachern	St. Onge	Welch
Cohen	Hoffman	McKasy	Schoenfeld	Welle
Coleman	Hokr	Munger	Seaberg	Wenzel
Dempsey	Jacobs	Nelson, D.	Segal	Wigley
Evans	Jennings	Norton	Shaver	Wynia
Findlay	Jensen	O'Connor	Shea	Speaker Sieben
Fjoslien	Johnson	Ogren	Sherman	
Forsythe	Kalis	Olsen	Sparby	

Those who voted in the negative were:

Battaglia	DenOuden	McDonald	Osthoff	Skoglund
Begich	Dimler	Metzen	Otis	Solberg
Bishop	Elioff	Minne	Redalen	Swanson
Carlson, L.	Ellingson	Murphy	Rose	Uphus
Clark, J.	Greenfield	Omann	Scheid	Weiker

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

S. F. No. 473 was reported to the House.

Vellenga moved to amend S. F. No. 473, as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1982, section 169.121, subdivision 1, is amended to read:

Subdivision 1. [CRIME.] It is a misdemeanor for any person to drive, operate or be in physical control of any motor vehicle within this state:

- (a) When the person is under the influence of alcohol;
- (b) When the person is under the influence of a controlled substance;
- (c) When the person is under the influence of a combination of any two or more of the elements named in clauses (a) and (b); or
- (d) When the person's alcohol concentration is 0.10 or more.

The provisions of this subdivision apply, but are not limited in application, to any person who drives, operates, or is in physical control of any motor vehicle in the manner prohibited by this subdivision upon the ice of any lake, stream, or river, including but not limited to the ice of any boundary water.

(WHEN AN ACCIDENT HAS OCCURRED, A PEACE OFFICER MAY LAWFULLY ARREST A PERSON FOR VIOLATION OF THIS SECTION WITHOUT A WARRANT UPON PROBABLE CAUSE, WITHOUT REGARD TO WHETHER THE VIOLATION WAS COMMITTED IN THE OFFICER'S PRESENCE.)

Sec. 2. Minnesota Statutes 1982, section 169.121, is amended by adding a subdivision to read:

Subd. 1a. [ARREST.] When an accident has occurred, a peace officer may lawfully arrest a person for violation of subdivision 1 without a warrant upon probable cause, without regard to whether the violation was committed in the officer's presence.

When a peace officer has probable cause to believe that a person is driving or operating a motor vehicle in violation of subdivision 1, and before a stop or arrest can be made the person escapes from the geographical limits of the officer's jurisdiction, the officer in fresh pursuit of the person may stop or arrest the person in another jurisdiction within this state and may exercise the powers and perform the duties of a peace officer under sections 169.121 and 169.123. An officer acting in fresh pursuit pursuant to this subdivision is serving in his regular line of duty as fully as though he was within his jurisdiction.

The express grant of arrest powers in this subdivision does not limit the arrest powers of peace officers pursuant to sections 626.65 to 626.70 or section 629.40 in cases of arrests for violation of subdivision 1 or any other provision of law.

Sec. 3. Minnesota Statutes 1982, section 169.123, subdivision 3, is amended to read:

Subd. 3. [MANNER OF MAKING TEST; ADDITIONAL TESTS.] Only a physician, medical technician, physician's trained mobile intensive care paramedic, registered nurse, medical technologist or laboratory assistant acting at the request of a peace officer may withdraw blood for the purpose of determining the presence of alcohol or controlled substance. This limitation does not apply to the taking of a breath or urine specimen. The person tested has the right to have a person of his own choosing administer a chemical test or tests in addition to any administered at the direction of a peace officer; provided, that the additional test specimen on behalf of the person is obtained at the place where the person is in custody, after the test administered at the direction of a peace officer, and at no expense to the state. The failure or inability to obtain an additional test or tests by a person shall not preclude the admission in evidence of the test taken at the direction of a peace officer unless the additional test was prevented or denied by the peace officer. The physician, medical technician, physician's trained mobile intensive care paramedic, medical technologist, laboratory assistant or registered nurse drawing blood at the request of a peace officer for the purpose of determining alcohol concentration shall in no manner be liable in any civil or criminal action except for negligence in drawing the blood. The person administering a *breath* test (AT THE REQUEST AND DIRECTION OF A PEACE OFFICER) shall be fully trained in the administration of (THE) *breath* tests pursuant to *training* (STANDARDS PROMULGATED BY RULE) *given* by the commissioner of public safety.

Sec. 4. [REPEALER.]

Minnesota Statutes 1982, section 169.1231, is repealed.

Sec. 5. [EFFECTIVE DATE.]

Section 3 is effective the day after final enactment and applies to all tests given prior to that date."

Delete the title and insert:

"A bill for an act relating to highway traffic regulations; permitting inter-jurisdictional fresh pursuit of drivers suspected of driving under the influence of alcohol or a controlled substance; eliminating mandatory detoxification of intoxicated drivers; amending Minnesota Statutes 1982, sections 169.121, subdivision 1, and by adding a subdivision; 169.123, subdivision 3; repealing Minnesota Statutes 1982, section 169.1231."

The motion prevailed and the amendment was adopted.

Vellenga moved to amend S. F. No. 473, as amended, as follows:

Page 3, line 27, after the period insert: "*Section 4 is effective the day after final enactment.*"

The motion prevailed and the amendment was adopted.

S. F. No. 473, A bill for an act relating to traffic regulations; removing restrictions on use at trial of an accused's refusal to take a chemical test; providing that a suspect be informed that refusal to take a chemical test will be used against him at trial; removing requirements for mandatory detoxification in certain instances; providing penalties; amending Minnesota Statutes 1982, sections 169.121, subdivisions 2, 3, 4, and 8; and 169.123, subdivisions 2, 3, and 4; repealing Minnesota Statutes 1982, section 169.1231.

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

The question was taken on the passage of the bill and the roll was called. There were 123 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Evans	Kostichryz	Otis	Skoglund
Anderson, G.	Findlay	Krueger	Pauly	Solberg
Battaglia	Fjoslien	Kvam	Piepho	Spearby
Beard	Forsythe	Larsen	Piper	Stadum
Begich	Graba	Levi	Price	Staten
Bergstrom	Greenfield	Long	Quinn	Sviggum
Berkelman	Gruenes	Ludeman	Quist	Swanson
Bishop	Gustafson	Mann	Redalen	Thiede
Blatz	Gutknecht	Marsh	Rice	Tomlinson
Brandl	Halberg	McDonald	Riveness	Tunheim
Brinkman	Haukoos	McEachern	Rodosovich	Uphus
Burger	Heap	McKasy	Rodriguez, C.	Valan
Carlson, D.	Heinitz	Metzen	Rodriguez, F.	Valento
Carlson, L.	Himle	Minne	Rose	Vanasek
Clark, J.	Hoberg	Munger	St. Onge	Vellenga
Clark, K.	Hoffman	Murphy	Schafer	Waitman
Clawson	Jacobs	Nelson, D.	Scheid	Welch
Cohen	Jennings	Nelson, K.	Schoenfeld	Welker
Coleman	Jensen	Norton	Schreiber	Welle
DenOuden	Johnson	O'Connor	Seaberg	Wenzel
Dimler	Kahn	Ogrea	Segal	Wigley
Eken	Kalis	Olsen	Shaver	Wynia
Elioff	Kelly	Omann	Shea	Speaker Sieben
Ellingson	Knickerbocker	Onnen	Sherman	
Erickson	Knuth	Osthoff	Simoneau	

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

Valan was excused between the hours of 2:20 p.m. and 4:40 p.m.

CONSIDERATION UNDER RULE 1.10

Pursuant to rule 1.10, Rice requested immediate consideration of H. F. No. 300.

H. F. No. 300 was reported to the House.

Otis and Clark, K., moved to amend H. F. No. 300, the third engrossment, as follows:

Page 18, line 5, delete "*executive director and*"

Page 21, after line 19, insert:

"Sec. 26. Minnesota Statutes 1982, section 474.01, is amended by adding a subdivision to read:

Subd. 11. The welfare of the state requires that, whenever feasible, employment opportunities made available in part by sections 474.01 to 474.15 or other state law providing for financing mechanisms similar to those described in those sections should be offered to individuals who are unemployed or who are economically disadvantaged as defined in the federal Job Training Partnership Act of 1982, Statutes at Large, Volume 96, page 1322. Every municipality, redevelopment agency, or other person undertaking a project financed wholly or in part by these financing mechanisms is encouraged to target employment opportunities to qualified individuals who are unemployed or economically disadvantaged. The intent of this subdivision may be accomplished by but is not limited to mechanisms such as a first source agreement in which the employer agrees to use a designated employment office as a first source for employment recruitment, referral, and placement.

Not later than July 1, 1984, and each July 1 for the succeeding three years, every municipality, redevelopment agency, or other person who undertakes a project financed wholly or in part by these financing mechanisms shall submit an employment report to the commissioner of energy, planning and development. The report shall be on forms provided by the commissioner and shall include, but need not be limited to, the following information:

- (a) the total number of jobs created by the project,*
- (b) the number of unemployed and economically disadvantaged persons hired, and*
- (c) the average wage level of the jobs created."*

Page 21, line 20, delete "26" and insert "27"

Page 22, line 24, delete "section 3" and insert "section 7, subdivision 4"

Page 22, line 32, delete "27" and insert "28"

Page 22, line 33, delete "26" and insert "27"

Further, amend the title as follows:

Page 1, line 10, delete "and"

Page 1, line 11, after the semicolon, insert "and 474.01, by adding a subdivision;"

The motion prevailed and the amendment was adopted.

Anderson, G., was excused while in conference.

CALL OF THE HOUSE

On the motion of Otis and on the demand of 10 members, a call of the House was ordered. The following members answered to their names:

Battaglia	Graba	Kvam	Pauly	Skoglund
Beard	Gruenes	Larsen	Piepho	Solberg
Begich	Gustafson	Levi	Piper	Sparby
Bergstrom	Gutknecht	Long	Price	Staten
Blatz	Halberg	Ludeman	Quinn	Swiggum
Brandl	Haukoos	Mann	Quist	Swanson
Brinkman	Heap	Marsh	Reif	Thiede
Carlson, D.	Heinitz	McDonald	Rice	Tomlinson
Carlson, L.	Himle	McEachern	Riveness	Tunheim
Clark, J.	Hoberg	McKasy	Rodosovich	Uphus
Clark, K.	Hoffman	Metzen	Rodriguez, C.	Valento
Cohen	Hokr	Minne	Rodriguez, F.	Vanasek
Coleman	Jacobs	Munger	Rose	Voss
Dempsey	Jennings	Murphy	St. Onge	Waltman
DenOuden	Jensen	Nelson, D.	Scheid	Welch
Dimler	Johnson	Nelson, K.	Schoenfeld	Welker
Eken	Kahn	Norton	Schreiber	Welle
Elioff	Kalis	O'Connor	Seaberg	Wenzel
Ellingson	Kelly	Ogren	Segal	Wigley
Erickson	Knickerbocker	Olsen	Shaver	Wynia
Findlay	Knuth	Omann	Shea	
Fjoslien	Kostohryz	Osthoff	Sherman	
Forsythe	Krueger	Otis	Simoneau	

Eken moved that further proceedings of the roll call be dispensed with and that the Sergeant at Arms be instructed to bring in the absentees. The motion prevailed and it was so ordered.

H. F. No. 300, A bill for an act relating to energy; creating the Minnesota energy authority; establishing a program of loans and financial assistance for households and municipalities; authorizing the issuance of bonds; appropriating money; transferring powers; amending Minnesota Statutes 1982, sections

116C.03, subdivision 2; 116J.03, subdivision 1; 116J.09; 116J.10; 216B.16, by adding a subdivision; 462A.02, subdivision 10; 462A.05, by adding subdivisions; 462A.21, by adding a subdivision; and 474.01, by adding a subdivision; proposing new law coded in Minnesota Statutes, chapters 116H; 216B; and 462A.

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 74 yeas and 49 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Elioff	Larsen	Piper	Solberg
Battaglia	Ellingson	Long	Price	Sparby
Beard	Fjoslien	Mann	Quinn	Staten
Begich	Graba	McEachern	Rice	Swanson
Bergstrom	Greenfield	Metzen	Riveness	Tomlinson
Berkelman	Gustafson	Minne	Rodosovich	Tunheim
Brandl	Himle	Munger	Rodriguez, C.	Uphus
Brinkman	Hoffman	Murphy	Rodriguez, F.	Vanasek
Carlson, L.	Jacobs	Nelson, D.	St. Onge	Vellenga
Clark, J.	Jensen	Nelson, K.	Scheid	Voss
Clark, K.	Kahn	Norton	Schoenfeld	Welch
Clawson	Kelly	O'Connor	Segal	Welle
Cohen	Knuth	Ogren	Shea	Wenzel
Coleman	Kostohryz	Osthoff	Simoneau	Wynia
Eken	Krueger	Otis	Skoglund	

Those who voted in the negative were:

Bishop	Forsythe	Johnson	Onnen	Shaver
Blatz	Gruenes	Knickerbocker	Pauly	Sherman
Burger	Gutknecht	Kvam	Piepho	Stadum
Carlson, D.	Halberg	Levi	Quist	Sviggum
Dempsey	Haukoos	Ludeman	Redalen	Thiede
DenOuden	Heap	Marsh	Reif	Valento
Dimler	Heinitz	McDonald	Rose	Waltman
Erickson	Hoberg	McKasy	Schafer	Welker
Evans	Hokr	Olsen	Schreiber	Wigley
Findlay	Jennings	Omann	Seaberg	

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

POINT OF ORDER

Onnen raised a point of order that H. F. No. 300 required a three-fifths vote of the whole House to pass pursuant to the Minnesota Constitution, Article XI, Section 5. The Speaker pro tem ruled the point of order not well taken and the bill passed.

There being no objection the order of business reverted to Reports of Standing Committees.

REPORTS OF STANDING COMMITTEES

Rice from the Committee on Appropriations to which was referred:

H. F. No. 720, A bill for an act relating to education; providing for computer and related services to aid education; providing for the transfer of duties and property of the Minnesota education computer consortium; appropriating money; amending Minnesota Statutes 1982, sections 120.81, subdivision 1; and 120.82; proposing new law coded in chapter 120; repealing Minnesota Statutes 1982, section 120.81, subdivision 1.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

“Section 1. [120.801] [PURPOSE.]

The legislature recognizes that one of the principal public purposes of the state is to provide an adequate education for its citizenry. An important means of furthering this public purpose is the continuation of educational computing services provided by the Minnesota educational computing consortium, including development and distribution of computer software, training educators in the use of computers in the classroom, and negotiating purchasing arrangements for Minnesota educational institutions. The intent of sections 1 to 13 is to accomplish those public purposes.

Sec. 2. [120.802] [DEFINITIONS.]

For the purpose of sections 1 to 12 “consortium” means the Minnesota educational computing consortium originally created pursuant to Minnesota Statutes, section 471.59, and created as a state agency by this act.

“Minnesota educational institutions” means Minnesota school districts or combination of school districts, area vocational technical institutions, the state department of education, community colleges, state universities, and the University of Minnesota.

Sec. 3. [120.803] [TRANSFER.]

The consortium created under section 471.59 is abolished as of the date of the transfer required by this section, and the Minnesota educational computer consortium is created as an independent state agency in the executive branch as a continuation of the abolished consortium. All powers and duties formerly assigned to the consortium created under section 471.59 are transferred to the state agency created by this act. Section 15.039

governs the transfer required by this section. All employees of the consortium are transferred to the state agency.

Sec. 4. [120.804] [STATE AGENCY.]

Subdivision 1. [STAFF.] The governor shall appoint and set the salary of an executive director of the consortium, subject to the confirmation of the senate, to serve at the pleasure of the governor. The executive director may employ other staff. The person who serves as executive director of the consortium on the effective date of section 3 shall continue to serve as executive director until the governor appoints a new director.

Subd. 2. [PERSONNEL MANAGEMENT.] The executive director shall establish personnel policies and procedures, including the compensation of other staff.

Subd. 3. [APPLICATION OF OTHER LAW.] The consortium is exempt from the application of chapters 14, 16, 43A, and 179. However, consortium employees may participate in the Minnesota state retirement system and the teachers' retirement system. The commissioner of administration shall provide administrative services if requested by the consortium, and the consortium shall reimburse the commissioner for services provided. The consortium shall be empowered to purchase or lease real estate necessary for the consortium's operations, but in no event shall the consortium rely upon the full faith and credit of the state of Minnesota.

Subd. 4. [ADVISORY TASK FORCE.] The governor shall appoint a six member advisory task force to advise in carrying out the responsibilities assigned by sections 5 to 8. Members shall be knowledgeable in areas related to the work of the consortium. In appointing members, the governor shall consider curriculum development specialists familiar with the use of computers in education, state department of education and school district personnel who are knowledgeable in educational computing, and users of consortium services. Membership terms, compensation, and removal of members shall be governed by section 15.059. Until advisory task force members are appointed, the current consortium board shall serve as the advisory task force.

Sec. 5. [120.805] [DUTIES OF CONSORTIUM.]

Subdivision 1. [PRODUCTS.] Notwithstanding any law to the contrary, the consortium shall provide its services and products at cost, including overhead, to Minnesota educational institutions.

Subd. 2. [SERVICES TO OTHERS.] The consortium may provide its products and services to other than Minnesota educational institutions. To further the public purpose expressed in

section 1, the consortium may establish a differential pricing policy between sales to Minnesota educational institutions and sales to others.

Sec. 6. [120.806] [POWERS.]

The consortium may:

(a) develop computer software and documentation for use by educational institutions;

(b) train educators in the use of computing;

(c) research and develop innovative uses of instructional and management computing for education; and

(d) contract with educational institutions for the development of software, documentation, and instructional and management computing services and charge for the cost of the development or services.

Sec. 7. [120.807] [MINNESOTA EDUCATIONAL INSTITUTIONS; POWERS.]

All Minnesota educational institutions are authorized to designate the consortium as their purchasing agent for computer hardware, software, and development of software. Minnesota educational institutions are authorized, notwithstanding the requirements of sections 16.07, 471.345, or 123.37, to contract directly with the consortium for the development of computer programs and documentation and for instructional and management computing services for educational institutions.

Sec. 8. [REPORT.]

The advisory task force shall study and report to the legislature by January 15, 1984, on the feasibility and desirability of transferring all or part of the powers and duties of the consortium to a nonprofit corporation. The report shall include recommendations for legislation needed to accomplish any recommendations.

Sec. 9. Minnesota Statutes 1982, 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 his 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) Hearing examiner or compensation judge in the state office of administrative hearings or hearing examiner in the department of economic security;

(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, metropolitan transit commission, metropolitan waste control commission, metropolitan parks and open spaces commission, metropolitan airports commission or metropolitan sports facilities commission; or

(p) *Executive director of the Minnesota educational computing consortium.*

Sec. 10. Minnesota Statutes 1982, section 120.81, subdivision 2, is amended to read:

Subd. 2 (NOTWITHSTANDING THE PROVISIONS OF SUBDIVISION 1,) The consortium is authorized to maintain a revolving fund for all receipts derived from computer services provided by the consortium. The Minnesota educational computing consortium shall charge users of consortium (FACILITIES FOR ON-LINE COMPUTER TIME ACTUALLY USED) *services and products*. Receipts shall be deposited in the Minnesota educational computing consortium revolving fund and are appropriated to the consortium. (THE CONSORTIUM BOARD SHALL APPOINT AN EXECUTIVE DIRECTOR WHO SHALL BE ITS CHIEF ADMINISTRATIVE OFFICER. THE EXECUTIVE DIRECTOR MAY BE IN THE UNCLASSIFIED SERVICE. ALL OTHER EMPLOYEES ARE IN THE CLASSIFIED SERVICE OF THE STATE.)

Sec. 11. Minnesota Statutes 1982, section 120.83, subdivision 1, is amended to read:

120.83 [PURCHASE OF ANNUITIES FOR EMPLOYEES.]

Subdivision 1. At the request of an employee, the (CONSORTIUM BOARD) *executive director* may negotiate and purchase an individual annuity contract from a company licensed to do business in the state of Minnesota for an employee for retirement or other purposes and may allocate a portion of the compensation otherwise payable to the employee as salary for the purpose of paying the entire premium due or to become due under such contract. The allocation shall be made in a manner which will qualify the annuity premiums, or a portion thereof, for the benefit afforded under section 403(b) of the current Federal Internal Revenue Code or any equivalent provision of subsequent federal income tax law. The employee shall own such contract and his rights thereunder shall be nonforfeitable except for failure to pay premiums.

Sec. 12. [REPEALER.]

Section 120.81, subdivision 1, and section 120.82 are repealed.

Sec. 13. [EFFECTIVE DATE.]

Sections 1 to 12 are effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to education; providing for computer and related services to aid education; providing for the transfer of duties and property of the Minnesota educational computing consortium; appropriating money; amending Minnesota Statutes 1982, sections 10A.01, subdivision 18; 120.81, subdivision 2; and 120.33, subdivision 1; proposing new law coded

in chapter 120; repealing Minnesota Statutes 1982, sections 120.81, subdivision 1; and 120.82.”

With the recommendation that when so amended the bill pass.

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. No. 720 was read for the second time.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House File was introduced:

Rice, for the Committee on Appropriations, introduced:

H. F. No. 1310, A bill for an act relating to capital improvements; authorizing the acquisition and betterment of public land and buildings and other public improvements of a capital nature with certain conditions; authorizing issuance of state bonds; appropriating money; proposing new law coded in Minnesota Statutes, chapter 16.

The bill was read for the first time and laid over one day.

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. 92, A bill for an act relating to education; providing for aids to education, aids to libraries, aids for teacher retirement contributions, tax levies, and the distribution of tax revenues; granting certain duties and powers to school boards, school districts, the state board of education, and the state board for vocational education; providing for revenue equity; modifying the computation of the transportation aid, summer school, and community education aids and levies; establishing an average-cost funding formula for AVTIs; authorizing intermediate school districts to offer nonpost-secondary academic courses; establishing programs for improvement of schools; providing incentives for school districts to utilize technology in instruction;

appropriating money; amending Minnesota Statutes 1982, sections 6.54; 6.62, subdivision 1; 16A.15, subdivision 1; 120.075, subdivision 4, and by adding a subdivision; 120.10, subdivision 2; 120.17, subdivision 3; 120.64, subdivisions 2 and 4; 121.908; 121.911, by adding a subdivision; 121.912, subdivision 3; 122.23, subdivisions 2 and 3; 122.41; 122.43; 122.44; 122.531, subdivision 2, and by adding subdivisions; 123.33, subdivisions 10 and 14; 123.34, subdivision 9; 123.351, subdivision 4; 123.36, subdivisions 9, 13, and by adding a subdivision; 123.37, subdivision 1b; 123.39, subdivision 4; 123.705; 124.11, subdivisions 2a and 2b; 124.14, subdivision 1; 124.15, subdivision 5; 124.17, subdivisions 1 and 2d; 124.19, subdivisions 1 and 3; 124.201, subdivisions 2, 3, and by adding subdivisions; 124.2122, subdivisions 1 and 2; 124.2126, subdivision 3; 124.2128, subdivision 1; 124.2132, subdivision 4; 124.225; 124.245, by adding a subdivision; 124.246, subdivision 2; 124.247, subdivision 3; 124.26, subdivision 1; 124.271, subdivisions 2a, 6, and by adding a subdivision; 124.273, subdivisions 1b, 2b, and 4; 124.32, subdivisions 1b, 1d, 2, 3a, 5, and 5a; 124.572, subdivision 2; 124.573, subdivision 2; 124.574, subdivisions 2b and 3; 124.646, subdivision 1; 125.60, subdivision 7; 125.611, subdivision 8; 129B.02; 129B.04; 129B.05; 129B.09, subdivision 12; 134.07; 134.08; 134.09; 134.10; 134.11; 134.12; 134.13; 134.14; 134.15; 134.30; 134.32, subdivisions 1 and 7; 134.351, subdivisions 3 and 7; 134.353; 134.36; 275.125, subdivisions 2d, 2e, 2i, 5, 5b, 6d, 8, 11a, 11b, and by adding subdivisions; 354.66, subdivision 9; 354A.094, subdivision 9; 375.335; 466.01, subdivision 1; 475.61, subdivision 3; and 648.39, subdivision 1; amending Laws 1967, chapter 822, section 4; Laws 1969, chapter 775, section 3, subdivision 2, as amended; Laws 1969, chapter 1060, section 4; Laws 1981, chapter 358, article 7, section 29, as amended; and Laws 1982, chapter 548, article 3, sections 27 and 28; proposing new law coded in Minnesota Statutes, chapters 3, 120, 121, 122, 123, 124, 126, 129B, and 134; repealing Minnesota Statutes 1982, sections 121.501 to 121.507; 122.542; 124.11, subdivision 1; 124.24; 124.251; 124.26, subdivision 4; 124.271, subdivision 5; 124.273, subdivisions 1 and 2; 124.32, subdivisions 1 and 9; 124.561; 124.562; 124.5621; 124.5622; 124.5623; 124.5624; 124.5625; 124.5626; 124.5627; 124.572, subdivision 8; 124.573, subdivision 5; 124.574, subdivision 2; 124.611; 125.611, subdivision 9; 129B.06 to 129B.09; 134.03; 134.06; 134.16; 134.19; 134.352; and 375.33.

The Senate has appointed as such committee Messrs. Nelson; Merriam; Peterson, R. W.; Pehler and Peterson, D. L.

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. 380, A bill for an act relating to negligence; regulating the liability of good samaritans; amending Minnesota Statutes 1982, section 604.05.

PATRICK E. FLAHAVEN, Secretary of the Senate

Staten moved that the House refuse to concur in the Senate amendments to H. F. No. 380, 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.

CALL OF THE HOUSE LIFTED

Eken moved that the call of the House be dispensed with. The motion prevailed and it was so ordered.

SPECIAL ORDERS, Continued

S. F. No. 161 was reported to the House.

Clark, J., moved to amend S. F. No. 161, the unofficial engrossment, as follows:

Page 3, after line 4, insert:

"Sec. 4. Laws 1980, chapter 595, section 2, subdivision 1, as amended by Laws 1982, chapter 491, section 3, is amended to read:

Subdivision 1. Notwithstanding any contrary provision of law or charter, the city council of the city of Minneapolis may, by ordinance:

(a) Establish an independent development and redevelopment agency, corporate and politic, which shall be a governmental subdivision of the state of Minnesota. The agency shall be governed by a board of commissioners. The city council, by ordinance, shall provide for the establishment of the board of commissioners, and shall state the number of commissioners, terms of office, the appointing authority of the commissioners, and other matters relating to the composition of the board and shall designate the name for the agency. Notwithstanding any contrary provisions of the Minneapolis city charter, state statute, veterans preference act, or civil service rule, law, or regulation, all employees of the agency shall be selected and employed by the board of commissioners and shall not by virtue of employment by the agency be employees of the city of Minneapolis, and the terms and conditions of employment, including salary, shall be determined by the board of

commissioners, subject only to limitations contained in this act. Throughout this act the term "agency" means the agency established pursuant to this clause.

The passage of the first ordinance establishing an agency, the passage of any ordinance changing the number of commissioners, the term of office of the commissioners, or the appointing authority of the commissioners, shall require affirmative votes of nine members of the city council. The vote of the city council adopting the ordinance shall be subject to mayoral veto and city council override of that veto.

(b) Establish a development and redevelopment department of the city. Notwithstanding any contrary provision of the Minneapolis city charter, statute, veterans preference act, or civil service rule, law or regulation, the ordinance creating the department may provide for a director and three assistant directors, who shall be in the unclassified service of the city of Minneapolis, and may provide for the director to appoint not more than ten employees to perform managerial duties as defined by the director, who shall be in the unclassified service of the city. The ordinance shall establish the appointing authority of the director and assistant directors, and the manner of appointment and term of office, if any, and shall provide for the terms and conditions of employment, including salary, subject only to the limitations contained within this act for all employees of the department, and shall designate the name for the department. The director shall select and appoint all employees of the department. Throughout this act the term "department" means the department established pursuant to this clause.

(c) Any time up to six months after the passage of the first ordinance implementing the provisions of this section, transfer any employee of the city of Minneapolis or the Minneapolis housing and redevelopment authority or the Minneapolis industrial development commission to the employment of the agency or the department or the Minneapolis housing and redevelopment authority or the Minneapolis industrial development commission. An assistant city coordinator of the city of Minneapolis *for economic development, and his administrative assistant*, may be transferred to the Minneapolis housing and redevelopment authority (AT ANY TIME UP TO 18 MONTHS) after passage of the first ordinance implementing the provisions of this section.

(ANY ASSISTANT CITY COORDINATOR TRANSFERRED TO EMPLOYMENT OF THE HOUSING AND REDEVELOPMENT AUTHORITY SHALL BE ENTITLED TO PURCHASE PRIOR SERVICE CREDIT FROM THE MINNEAPOLIS EMPLOYEES RETIREMENT FUND FOR ACTUAL SERVICE WITH THE MINNEAPOLIS HOUSING AND REDEVELOPMENT AUTHORITY FROM MAY 4, 1964 TO JUNE 4, 1975 FOR WHICH THE ASSISTANT CITY COORDINATOR HAS NOT PREVIOUSLY RECEIVED SERVICE

CREDIT FROM THE MINNEAPOLIS EMPLOYEES RETIREMENT FUND. THE AMOUNT TO BE PAID FOR THE PURCHASE OF THE PRIOR SERVICE CREDIT AND THE MANNER OF PAYMENT SHALL BE AS PROVIDED IN THE FIRST PARAGRAPH OF LAWS 1981, CHAPTER 197, SECTION 2, SUBDIVISION 2 FOR PERSONS AUTHORIZED TO PURCHASE PRIOR SERVICE CREDIT BY LAWS 1981, CHAPTER 297, SECTION 2, SUBDIVISION 1. THE AUTHORITY TO MAKE A LUMP SUM PAYMENT OR TO MAKE AN AGREEMENT TO MAKE INSTALLMENT PAYMENTS SHALL EXPIRE ON JULY 1, 1983.)

An employee who is in the classified service of the city of Minneapolis whose position is being transferred pursuant to this clause, may elect to remain in the classified service and exercise the rights provided by the Minneapolis civil service commission to an employee as if the position held by the employee had been eliminated. Any employee who is transferred from employment with one employer pursuant to this clause to another employer shall retain rights and benefits accumulated including seniority, accumulated vacation and sick leave, and length of service for the purposes of calculating benefits, layoffs, seniority-rating for promotions and merit increases, emolument or rewards. Notwithstanding any contrary provisions of law or city charter, any employee of the Minneapolis industrial development commission who is not in the classified service of the city of Minneapolis, and any person employed as a director or deputy director of the Minneapolis housing and redevelopment agency shall either be transferred to employment of the agency or department, or the city of Minneapolis, or shall remain an employee of the commission or authority, as determined by the city council, and the city council may transfer the person into the classified service of the city of Minneapolis and into a position for which the person is qualified as determined by the city council.

Following implementation of this act, all existing employees of the Minneapolis housing and redevelopment authority except the director and deputy directors shall either be transferred to employment of the agency or department or shall continue to be employed by the Minneapolis housing and redevelopment authority or shall be transferred to employment of the city, as determined by the city council. In the event of transfer of employment to the city of Minneapolis, the city council may transfer the person into the classified service into a position for which the employee is qualified. In any event:

(a) the employee's salary shall not be diminished as a result of implementation of this act;

(b) the employee's job responsibilities shall not be substantially diminished as a result of implementation of this act;

(c) the employee shall not be required to change residence as a result of this legislation; and

(d) the employee shall have the right to apply and be considered for positions with the agency or department on an equal basis with the other employees of the agency or department. Length of service with the Minneapolis housing redevelopment authority shall count on the same basis as length of service is counted for existing employees of the city of Minneapolis.

The director and deputy directors shall be considered employees for the purposes of clauses (c) and (d).

If a person employed as an employee of the agency or as a director or assistant director or as a managerial employee of the department or as an employee of the Minneapolis housing and redevelopment authority is, at the time of agency employment or department employment or Minneapolis housing and redevelopment authority employment, a member of the classified service of the city of Minneapolis, the employee shall be deemed to be on leave of absence during his tenure in the employment, and upon termination of service, shall be returned to his permanent civil service classification. If no vacancy is available in his permanent civil service classification position, seniority shall prevail, and the person most recently certified to the position shall be returned to the permanent civil service classification held by him prior to certification."

Renumber remaining sections in sequence

Amend the title to read:

Page 1, line 6, after the semicolon, insert "permitting the transfer of certain employees to the community development agency;"

Page 1, line 9, before the period insert ", and Laws 1980, chapter 595, section 2, subdivision 1, as amended"

The motion prevailed and the amendment was adopted.

S. F. No. 161, A bill for an act relating to the city of Minneapolis; changing the position of cable communications officer to the unclassified service; amending Laws 1969, chapter 937, section 1, subdivision 9, as amended.

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

The question was taken on the passage of the bill and the roll was called. There were 112 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Ellingson	Knickerbocker	Piepho	Solberg
Battaglia	Erickson	Knuth	Piper	Sparby
Beard	Evans	Kostohryz	Price	Stadum
Begich	Findlay	Krueger	Quinn	Swiggum
Bergstrom	Fjoslien	Kvam	Quist	Swanson
Berkelman	Forsythe	Larsen	Redalen	Thiede
Bishop	Graba	Levi	Reif	Tomlinson
Blatz	Greenfield	Ludeman	Riveness	Tunheim
Brandl	Gruenes	Mann	Rodosovich	Uphus
Brinkman	Gustafson	Marsh	Rodriguez, C.	Valento
Burger	Gutknecht	McDonald	Rodriguez, F.	Vanasek
Carlson, D.	Halberg	McKasy	St. Onge	Vellenga
Carlson, L.	Haukoos	Munger	Schafer	Waltman
Clark, J.	Heap	Murphy	Scheid	Welch
Clark, K.	Heinitz	Nelson, K.	Schoenfeld	Welker
Clawson	Hoberg	Norton	Schreiber	Weile
Cohen	Hoffman	O'Connor	Seaberg	Wenzel
Coleman	Jacobs	Ogren	Segal	Wigley
Dempsey	Jennings	Olsen	Shaver	Wynia
DenOuden	Jensen	Ormann	Shea	Speaker Sieben
Dimler	Johnson	Onnen	Sherman	
Eken	Kahn	Otis	Simoneau	
Elioff	Kelly	Pauly	Skoglund	

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

CONSIDERATION UNDER RULE 1.10

Pursuant to rule 1.10, Rice requested immediate consideration of H. F. No. 720.

SUSPENSION OF RULES

Pursuant to Article IV, Section 19, of the Constitution of the state of Minnesota, Kahn moved that the rule therein be suspended and an urgency be declared so that H. F. No. 720 be given its third reading and be placed upon its final passage. The motion prevailed.

Kahn moved that the rules of the House be so far suspended that H. F. No. 720 be given its third reading and be placed upon its final passage. The motion prevailed.

H. F. No. 720 was reported to the House.

The Speaker resumed the Chair.

H. F. No. 720, A bill for an act relating to education; providing for computer and related services to aid education; providing for the transfer of duties and property of the Minnesota educational computing consortium; appropriating money; amending Minnesota Statutes 1982, sections 10A.01, subdivision 18; 120.81, subdivision 2; and 120.83, subdivision 1; proposing new law coded in chapter 120; repealing Minnesota Statutes 1982, sections 120.81, subdivision 1; and 120.82.

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 103 yeas and 12 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Evans	Knuth	Piper	Skoglund
Battaglia	Findlay	Kostohryz	Price	Solberg
Beard	Fjoslien	Krueger	Quinn	Sparby
Begich	Forsythe	Larsen	Quist	Stadum
Bergstrom	Greenfield	Levi	Redalen	Staten
Bishop	Gruenes	Long	Reif	Sviggum
Blatz	Gustafson	Mann	Rice	Swanson
Brandl	Halberg	McEachern	Riveness	Tomlinson
Brinkman	Heap	McKasy	Rodosovich	Tunheim
Burger	Heinitz	Metzen	Rodriguez, C.	Uphus
Carlson, D.	Himle	Munger	Rodriguez, F.	Vaiento
Carlson, L.	Hoberg	Murphy	Rose	Vanasek
Clark, J.	Hoffman	Nelson, D.	St. Onge	Vellenga
Clark, K.	Hokr	Nelson, K.	Scheid	Waltman
Clawson	Jacobs	O'Connor	Schoenfeld	Welch
Cohen	Jensen	Ogren	Schreiber	Welle
Dimler	Johnson	Olsen	Seaberg	Wenzel
Eken	Kahn	Omann	Segal	Wynia
Elioff	Kalis	Onnen	Shaver	Speaker Sieben
Ellingson	Kelly	Otis	Shea	
Erickson	Knickerbocker	Pauly	Sherman	

Those who voted in the negative were:

Dempsey	Haukoos	Marsh	Thiede	Wigley
DenOuden	Jennings	Piepho	Welker	
Gutknecht	Ludeman	Schafer		

The bill was passed and its title agreed to.

Rose was excused for the remainder of today's session.

CONSIDERATION UNDER RULE 1.10

Pursuant to rule 1.10, Rice requested immediate consideration of H. F. No. 828.

H. F. No. 828 was reported to the House.

Burger moved to amend H. F. No. 828, as follows:

Page 19, after line 23, insert:

"Sec. 22. [APPROPRIATION REDUCTION.]

Notwithstanding any modification of the provisions of the other sections of this bill, every appropriation specified in section 21 shall be reduced by 5 percent of the amount stated. All expenditures to be made in whole or in part from the appro-

priations in this bill shall be reduced pro rata to allow implementation of all programs at a level of 95 percent."

Renumber sections as necessary.

A roll call was requested and properly seconded.

The question was taken on the amendment and the roll was called. There were 46 yeas and 63 nays as follows:

Those who voted in the affirmative were:

Bishop	Findlay	Knickerbocker	Pauly	Uphus
Blatz	Fjoslien	Levi	Piepho	Valento
Burger	Forsythe	Ludeman	Quist	Waltman
Carlson, D.	Gruenes	Marsh	Rédalen	Welch
Clawson	Gutknecht	McDonald	Reif	Welker
Dempsey	Haukoos	McEachern	Schafer	Wigley
DenOuden	Heinitz	McKasy	Seaberg	
Dimler	Hoberg	Olsen	Shaver	
Erickson	Jennings	Omann	Sviggum	
Evans	Johnson	Onnen	Thiede	

Those who voted in the negative were:

Anderson, B.	Graba	Long	Rice	Staten
Battaglia	Greenfield	Mann	Riveness	Swanson
Beard	Gustafson	Minne	Rodosovich	Tomlinson
Begich	Hoffman	Munger	Rodriguez, C.	Tunehim
Berkelman	Jacobs	Murphy	Rodriguez, F.	Vanasek
Brandl	Jensen	Nelson, D.	St. Onge	Vellenga
Brinkman	Kahn	Norton	Scheid	Yoss
Carlson, L.	Kalis	O'Connor	Schoenfeld	Welle
Clark, J.	Kelly	Ogren	Segal	Wenzel
Clark, K.	Knuth	Osthoff	Simoneau	Wynia
Eken	Kostohryz	Otis	Skoglund	Speaker Sieben
Elioff	Krueger	Piper	Solberg	
Ellingson	Larsen	Price	Sparby	

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

H. F. No. 828, A bill for an act relating to energy; providing an omnibus energy policy; appropriating money; amending Minnesota Statutes 1982, sections 16.02, by adding a subdivision; 116J.24, by adding a subdivision; 116J.27, subdivisions 2, 6, and by adding a subdivision; 116J.31; 116J.36; 156A.02, subdivision 6; 156A.10, subdivision 1; 216B.164, subdivisions 2, 5, and by adding a subdivision; 216B.44; 453.54, by adding a subdivision; and 471.345, by adding a subdivision; proposing new law coded in Minnesota Statutes, chapters 116J and 216B; repealing Minnesota Statutes 1982, sections 3.351 and 116J.27, subdivisions 5 and 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 93 yeas and 26 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Ellingson	Levi	Piper	Skoglund
Battaglia	Evans	Long	Price	Solberg
Beard	Fjoslien	Mann	Quinn	Sparby
Begich	Forsythe	McEachern	Quist	Staten
Bergstrom	Graba	McKasy	Reif	Sviggum
Berkelman	Greenfield	Metzen	Rice	Swanson
Bishop	Gustafson	Minne	Riveness	Tomlinson
Blatz	Himle	Munger	Rodosovich	Tunheim
Brandl	Hoberg	Murphy	Rodriguez, C.	Vanasek
Brinkman	Hoffman	Nelson, D.	Rodriguez, F.	Vellenga
Carlson, D.	Jacobs	Nelson, K.	St. Onge	Voss
Carlson, L.	Jensen	Norton	Scheid	Waltman
Clark, J.	Kahn	O'Connor	Schoenfeld	Welch
Clark, K.	Kelly	Ogren	Schraiber	Welle
Clawson	Knickerbocker	Olsen	Seaberg	Wenzel
Cohen	Knuth	Onnen	Segal	Wynia
Coleman	Kostohryz	Osthoff	Shaver	Speaker Sieben
Eken	Krueger	Otis	Shea	
Elioff	Larsen	Pauly	Simoneau	

Those who voted in the negative were:

Dempsey	Gutknecht	Kalis	Redalen	Welker
DenOuden	Hankoos	Ludeman	Schafer	Wigley
Dimler	Heinitz	Marsh	Sherman	
Erickson	Hokr	McDonald	Thiede	
Findlay	Jennings	Omann	Uphus	
Gruenes	Johnson	Piepho	Valento	

The bill was passed and its title agreed to.

SPECIAL ORDERS, Continued

S. F. No. 263 was reported to the House.

Wynia moved to amend S. F. No. 263, the second engrossment, as follows:

Page 5, line 10, after "*practice*" insert "*as defined in this subdivision*"

The motion prevailed and the amendment was adopted.

S. F. No. 263, A bill for an act relating to insurance; health and accident; providing reimbursement for the services of certain licensed and certified registered nurses on an equal basis with other licensed health professional services; amending Minnesota Statutes 1982, sections 62A.03, subdivision 1; and 62A.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 108 yeas and 9 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Greenfield	Ludeman	Piper	Sparby
Battaglia	Gruenes	Mann	Price	Staten
Beard	Gustafson	Marsh	Quinn	Sviggum
Begich	Halberg	McDonald	Quist	Swanson
Bergstrom	Haukoos	McEachern	Redalen	Thiede
Brandl	Heap	McKasy	Rice	Tomlinson
Burger	Heinitz	Metzen	Riveness	Tunheim
Carlson, D.	Hoberg	Minne	Rodosovich	Uphus
Carlson, L.	Hoffman	Munger	Rodriguez, C.	Valan
Clark, J.	Hokr	Murphy	Rodriguez, F.	Valento
Clark, K.	Jacobs	Nelson, D.	St. Onge	Vanasek
Clawson	Jensen	Nelson, K.	Schafer	Vellenga
Cohen	Johnson	Norton	Scheid	Voss
Coleman	Kahn	O'Connor	Schoenfeld	Waltman
Dempsey	Kalis	Ogren	Schreiber	Welch
Eken	Kelly	Olsen	Seaberg	Welker
Elioff	Knuth	Omamn	Shaver	Welle
Ellingson	Kostohryz	Onnen	Shea	Wenzel
Evans	Krueger	Osthoff	Sherman	Wynia
Findlay	Kvam	Otis	Simoneau	Speaker Sieben
Fjoslien	Larsen	Pauly	Skoglund	
Graba	Long	Piepho	Solberg	

Those who voted in the negative were:

Bishop	Brinkman	Dimler	Gutknecht	Reif
Blatz	DenOuden	Forsythe	Knickerbocker	

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

S. F. No. 529 was reported to the House.

Dempsey moved to amend S. F. No. 529, the second engrossment, as follows:

Page 10, after line 28, insert:

“Sec. 12. [CLARIFICATION OF LEGISLATIVE INTENT.]

The purpose of this section is to clarify the intent of an amendment to the human rights act adopted as Laws 1978, chapter 793, section 74. This section does not alter the meaning of that enactment. The legislature did not intend, by Laws 1978, chapter 793, section 74 to deprive a charging party under the human rights act of one remedy while preserving another remedy. A party with a charge pending in the human rights department on the effective date of Laws 1978, chapter 793, section 74 could have elected either to continue the charge for investigation by the department or, as expressly stated in Laws 1978, chapter 793, section 74, could have withdrawn the charge and filed a civil action in district court within 90 days of the

withdrawal. Therefore, notwithstanding that any party's charge was filed prior to the effective date of Laws 1978, chapter 793, section 74, a party who after the effective date of the 1978 act, withdrew a charge from the department and complied with the time limits of the 1978 act for filing an action in district court, may maintain the action. The state may not raise the defense of res judicata in connection with any such action commenced before the effective date of this section."

Renumber the remaining section

Page 10, line 30, delete "11" and insert "12"

Amend the title as follows:

Page 1, line 3, after the second semi-colon insert "clarifying the meaning of a change in the time for filing suit in the district court;"

The motion prevailed and the amendment was adopted.

S. F. No. 529, A bill for an act relating to human rights; prohibiting discrimination because of disability; providing penalties; amending Minnesota Statutes 1982, sections 363.01, subdivision 25, and by adding subdivisions; 363.02, subdivisions 1 and 5; 363.03, subdivisions 1, 3, 4, and 7; and repealing Minnesota Statutes 1982, section 363.03, subdivision 4a.

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 3 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Elioff	Jensen	Munger	Rodriguez, C.
Battaglia	Ellingson	Johnson	Murphy	Rodriguez, F.
Beard	Erickson	Kahn	Nelson, D.	St. Onge
Begich	Evans	Kalis	Nelson, K.	Scheid
Bergstrom	Findlay	Kelly	Norton	Schoenfeld
Berkelman	Fjoslien	Knickerbocker	O'Connor	Schreiber
Bishop	Forsythe	Knuth	Ogren	Seaberg
Blatz	Greenfield	Kostohryz	Olsen	Shaver
Brandl	Grucens	Krueger	Omann	Shea
Burger	Gustafson	Kvam	Osthoff	Sherman
Carlson, D.	Gutknecht	Larsen	Otis	Simoneau
Carlson, L.	Halberg	Levi	Pauly	Skoglund
Clark, J.	Haukoos	Long	Piepho	Solberg
Clark, K.	Heap	Ludeman	Piper	Sparby
Clawson	Heinitz	Mann	Price	Stadum
Cohen	Himle	Marsh	Quinn	Staten
Coleman	Hoberg	McDonald	Quist	Swiggum
Dempsey	Hoffman	McEachern	Redalen	Swanson
DenOuden	Hokr	McKasy	Rice	Thiede
Dimler	Jacobs	Metzen	Riveness	Tomlinson
Eken	Jennings	Minne	Rodosovich	Tunheim

Uphus
Valan
Valento

Vanasek
Vellenga
Waltman

Welch
Welle
Wenzel

Wigley
Wynia

Speaker Sieben

Those who voted in the negative were:

Onnen

Schafer

Welker

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

Schoenfeld was excused for the remainder of today's session.

CONSIDERATION UNDER RULE 1.10

Pursuant to rule 1.10, Rice requested immediate consideration of H. F. No. 1308.

The Speaker called Wynia to the Chair.

SUSPENSION OF RULES

Pursuant to Article IV, Section 19, of the Constitution of the state of Minnesota, Rice moved that the rule therein be suspended and an urgency be declared so that H. F. No. 1308 be given its third reading and be placed upon its final passage. The motion prevailed.

Rice moved that the rules of the House be so far suspended that H. F. No. 1308 be given its third reading and be placed upon its final passage. The motion prevailed.

H. F. No. 1308 was reported to the House.

Stadum moved to amend H. F. No. 1308, as follows:

Page 3, delete lines 9 to 18

Page 4, lines 6 to 17, delete section 3

A roll call was requested and properly seconded.

The Speaker resumed the Chair.

The question was taken on the amendment and the roll was called. There were 55 yeas and 62 nays as follows:

Those who voted in the affirmative were:

Bishop
Blatz
Burger
Carlson, D.

Dempsey
DenOuden
Erickson
Evans

Findlay
Fjoslien
Forsythe
Greenfield.

Gruenes
Cutknecht
Halberg
Haukoos

Heap
Heinitz
Himle
Hoberg

Hokr	Ludeman	Onnen	Schreiber	Uphus
Jacobs	Marsh	Pauly	Seaberg	Valan
Jennings	McDonald	Piepho	Shaver	Valento
Johnson	McKasy	Quist	Sherman	Voss
Knickerbocker	O'Connor	Redalen	Stadum	Waltman
Kvam	Olsen	Reif	Svigum	Welker
Levi	Omann	Schafer	Thiede	Wigley

Those who voted in the negative were:

Battaglia	Elioff	Mann	Rice	Swanson
Beard	Ellingson	Minne	Riveness	Tomlinson
Begich	Graba	Munger	Rodosovich	Tunheim
Bergstrom	Gustafson	Murphy	Rodriguez, C.	Vanasek
Brandl	Hoffman	Nelson, D.	Rodriguez, F.	Vellenga
Brinkman	Jensen	Nelson, K.	St. Onge	Welch
Carlson, L.	Kahn	Norton	Scheid	Welle
Clark, J.	Kalis	Ogren	Segal	Wenzel
Clark, K.	Knuth	Osthoff	Simoneau	Wynia
Cohen	Kostohryz	Otis	Skoglund	Speaker Sieben
Coleman	Krueger	Piper	Solberg	
Dimler	Larsen	Price	Sparby	
Eken	Long	Quinn	Staten	

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

H. F. No. 1308, A bill for an act relating to appropriations; reducing appropriations for the fiseal year ending June 30, 1983; appropriating money; amending Minnesota Statutes 1982, section 41.61, subdivision 1; 270.18; repealing Minnesota Statutes 1982, section 41.61, 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 122 yeas and 2 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	DenOuden	Hoberg	McEachern	Quinn
Anderson, G.	Dimler	Hoffman	McKasy	Quist
Battaglia	Eken	Jacobs	Mctzen	Redalen
Beard	Elioff	Jennings	Minne	Reif
Begich	Ellingson	Jensen	Munger	Rice
Bergstrom	Erickson	Johnson	Murphy	Riveness
Berkelman	Evans	Kahn	Nelson, D.	Rodosovich
Bishop	Findlay	Kalis	Nelson, K.	Rodriguez, C.
Blatz	Fjoslien	Kelly	Norton	Rodriguez, F.
Brandl	Forsythe	Knuth	O'Connor	St. Onge
Brinkman	Graba	Kostohryz	Ogren	Schafer
Burger	Greenfield	Krueger	Olsen	Scheid
Carlson, D.	Gruenes	Kvam	Omann	Schreiber
Carlson, L.	Gustafson	Larsen	Onnen	Seaberg
Clark, J.	Gutknecht	Levi	Osthoff	Segal
Clark, K.	Halberg	Long	Otis	Shaver
Clawson	Haukoos	Ludeman	Pauly	Shea
Cohen	Heap	Mann	Piepho	Sherman
Coleman	Heinitz	Marsh	Piper	Simoneau
Dempsey	Himle	McDonald	Price	Skoglund

Solberg	Swanson	Valan	Welch	Wynia
Sparby	Thiede	Valento	Welker	Speaker Sieben
Stadum	Tomlinson	Vellienga	Welle	
Staten	Tunheim	Voss	Wenzel	
Sviggum	Uphus	Waltman	Wigley	

Those who voted in the negative were:

Hokr Knickerbocker

The bill was passed and its title agreed to.

There being no objection the order of business reverted to Messages from the Senate.

MESSAGES FROM THE SENATE

The following messages were received from the Senate:

Mr. Speaker:

I hereby announce the adoption by the Senate of the following Senate Concurrent Resolution, herewith transmitted:

Senate Concurrent Resolution No. 12, A Senate Concurrent Resolution proclaiming September 25 to October 8 as Germanfest in Minnesota.

PATRICK E. FLAHAVER, Secretary of the Senate

SUSPENSION OF RULES

Brinkman moved that the rules be so far suspended that Senate Concurrent Resolution No. 12 be now considered and be placed upon its adoption. The motion prevailed.

SENATE CONCURRENT RESOLUTION NO. 12

A senate concurrent resolution proclaiming September 25 to October 8 as Germanfest in Minnesota.

Whereas, October 6, 1983, will mark the Three Hundredth Anniversary of German immigration to America commencing with the sail vessel Concord, and that 1983 has been declared as the "Tricentennial Anniversary Year of German Settlement in America;" and

Whereas, Minnesota, throughout its history, has greatly benefited from the presence of German Americans through their leadership in education, agriculture, government, trade, industry, religion, and all other aspects of daily life within our state; and

Whereas, much of what we perceive to be the American way of life and culture can be attributed to those values and identities which come to Minnesota with various cultures, among which are the Germans; and

Whereas, the descendants of German-speaking immigrants form the largest single ethnic group in Minnesota and have maintained their mother tongue through succeeding generations to a greater extent than any other language group; and

Whereas, Americans of German-speaking ancestry continue to provide valuable contributions to life in Minnesota; *Now, Therefore*,

Be It Resolved by the Senate of the State of Minnesota, the House of Representatives concurring, that the period of September 25 to October 8, 1983, be specifically designated to honor and celebrate German immigration to Minnesota through an appreciation of German American contribution to our state. A special five-day ethnic festival called the "Germanfest for a Heritage Fulfilled" will be established to celebrate this event.

Be It Further Resolved that the Secretary of the Senate is directed to prepare an enrolled copy of this resolution, to be authenticated by his signature and those of the Chairman of the Rules and Administration Committee of the Senate, the Chief Clerk of the House, and the Speaker of the House, and present it to the chairperson of the organizing committee of Germanfest.

Brinkman moved that Senate Concurrent Resolution No. 12 be now adopted. The motion prevailed and Senate Concurrent Resolution No. 12 was adopted.

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. 77, A bill for an act relating to horse racing; creating a Minnesota racing commission and providing for its membership, powers, and duties; authorizing the licensing of persons to operate racetracks, conduct horse racing, engage in certain occupations, and conduct pari-mutuel betting on horse racing; prescribing taxes and license fees; establishing a Minnesota breeders fund; providing penalties; appropriating money; amending Minnesota Statutes 1982, sections 38.04; 273.76, by adding a subdivision; 609.75, subdivision 3; and 609.761; proposing new law coded as Minnesota Statutes, chapter 240.

PATRICK E. FLAHAVEN, Secretary of the Senate

Kostohryz moved that the House refuse to concur in the Senate amendments to H. F. No. 77, 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.

SPECIAL ORDERS

Eken moved that the remaining bills on Special Orders for today be continued one day. The motion prevailed.

GENERAL ORDERS

Eken moved that the bills on General Orders for today be continued one day. The motion prevailed.

MOTIONS AND RESOLUTIONS

Ogren moved that H. F. No. 481 be returned to its author. The motion prevailed.

Minne moved that H. F. No. 743 be returned to its author. The motion prevailed.

Kvam, Jennings, Dempsey, Vanasek and Redalen introduced:

House Resolution No. 12, A house resolution proclaiming May 11, 1983, as Tax Freedom Day in Minnesota.

Kvam moved that the rules be so far suspended that House Resolution No. 12 be now considered and be placed upon its adoption. The motion did not prevail.

House Resolution No. 12 was referred to the Committee on Rules and Legislative Administration.

Reif introduced:

House Resolution No. 13, A house resolution urging various officials and groups to assist on raising funds for an epilepsy education center.

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

Mann introduced:

House Resolution No. 14, A house resolution relating to the operation of state buildings.

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 H. F. No. 1283:

Carlson, L.; Rice; Welch; Swanson and Erickson.

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 380:

Staten, Ogren and Halberg.

ADJOURNMENT

Eken moved that when the House adjourns today it adjourn until 1:00 p.m., Monday, May 16, 1983. The motion prevailed.

Eken moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 1:00 p.m., Monday, May 16, 1983.

EDWARD A. BURDICK, Chief Clerk, House of Representatives

STATE OF MINNESOTA

SEVENTY-THIRD SESSION - 1983

FIFTY-FOURTH DAY

SAINT PAUL, MINNESOTA, MONDAY, MAY 16, 1983

The House of Representatives convened at 1:00 p.m. and was called to order by Harry A. Sieben, Jr., Speaker of the House.

Prayer was offered by Dr. Sidney A. Rand, Past President St. Olaf College, Minneapolis, Minnesota.

The roll was called and the following members were present:

Anderson, G.	Evans	Kostohryz	Pauly	Solberg
Anderson, R.	Findlay	Krueger	Peterson	Sparby
Battaglia	Fjoslien	Kvam	Piepho	Stadum
Beard	Forsythe	Larsen	Piper	Staten
Begich	Frerichs	Levi	Price	Sviggum
Bennett	Graba	Long	Quinn	Swanson
Bergstrom	Greenfield	Ludeman	Quist	Thiede
Berkelman	Gruenes	Mann	Redalen	Tomlinson
Bishop	Gustafson	Marsh	Reif	Tunheim
Blatz	Gutknecht	McDonald	Rice	Uphus
Brandl	Halberg	McEachern	Riveness	Valan
Brinkman	Haukoos	McKasy	Rodriguez, C.	Valento
Burger	Heap	Metzen	Rodriguez, F.	Vanasek
Carlson, D.	Heinitz	Minne	Rose	Vellenga
Carlson, L.	Himle	Munger	St. Onge	Voss
Clark, J.	Hoberg	Murphy	Sarna	Waltman
Clark, K.	Hoffman	Nelson, D.	Schafer	Welch
Clawson	Hokr	Nelson, K.	Scheid	Welker
Cohen	Jacobs	Neuenschwander	Schoenfeld	Welle
Coleman	Jennings	Norton	Schreiber	Wenzel
Dempsey	Jensen	O'Connor	Seaberg	Wigley
DenOuden	Johnson	Ogren	Segal	Wynia
Dimler	Kahn	Olsen	Shaver	Zaffke
Eken	Kalis	Omann	Shea	Speaker Sieben
Elioff	Kelly	Onnen	Sherman	
Ellingson	Knickerbocker	Osthoff	Simoneau	
Erickson	Knuth	Otis	Skoglund	

A quorum was present.

Anderson, B., was excused.

Rodosovich was excused until 1:20 p.m.

The Chief Clerk proceeded to read the Journal of the preceding day. Rose 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. 1290, 1310 and 720 have been placed in the members' files.

REPORTS OF STANDING COMMITTEES

Rice from the Committee on Appropriations to which was referred:

H. F. No. 100, A bill for an act relating to health; changing eligibility requirements for catastrophic health expense protection; including insurance premiums; appropriating money; amending Minnesota Statutes 1982, sections 62E.52, subdivisions 2 and 3; 62E.53, subdivisions 1 and 2; and 62E.531, subdivision 2.

Reported the same back with the following amendments:

Page 3, line 20, delete "\$12,000,000" and insert "\$8,500,000"

With the recommendation that when so amended the bill pass.

The report was adopted.

Rice from the Committee on Appropriations to which was referred:

H. F. No. 288, A bill for an act relating to energy; establishing a residential rental property weatherization disclosure program; requiring the filing of a certificate of compliance with minimum energy efficiency standards for renter-occupied residences; providing tenant enforcement of the standards; providing for the abatement of certain court actions; allowing a penalty in certain cases; appropriating money; amending Minnesota Statutes 1982, sections 116J.27, subdivision 3, and by adding subdivisions; and 116J.30, by adding a subdivision.

Reported the same back with the following amendments:

Page 1, line 26, strike "July" and insert "January"

Page 2, line 5, delete "and every"

Page 2, line 6, delete "tenth January 1 thereafter,"

Page 2, line 9, after the period, insert: "*The owner shall also post a copy of the certificate in a conspicuous place in the building.*"

Page 2, line 11, delete "*July*" and insert "*January*"

Page 2, line 16, after the period insert "*A building evaluator shall not inspect a residence and issue the certificate required by this subdivision if the building evaluator has an ownership interest in the residence or is employed by any person having an ownership interest in the residence.*"

Page 2, line 24, delete "*provided*" and insert "*issued*"

Page 2, lines 31, 33, and 35, delete "*July*" and insert "*January*"

Page 2, line 32, delete "*become*" and insert "*be in effect as of*"

Page 2, line 33, delete "*effective*"

Page 3, line 3, delete "*building*" and insert "*residence*"

Page 3, line 7, delete the first comma and insert "*and*"

Page 3, line 7, delete "*, and social security or Minnesota tax*"

Page 3, line 8, delete "*identification number*"

Page 3, line 27, delete "*recording the certificates*" and insert "*administering the residential rental property weatherization disclosure program*"

Page 4, lines 12 and 20, delete "*owner*" and insert "*plaintiff*"

Page 4, line 25, after the period insert "*The plaintiff shall give the defendant at least three days' advance written notice of the time that an application for disbursement of rent pursuant to this subdivision is to be presented to the court, and a copy of the application and supporting affidavit shall be given with the notice. The notice may be handed to the defendant, mailed to the defendant at the premises occupied by the defendant by first class mail with postage prepaid, or left in a secure place upon the premises occupied by the defendant.*"

Page 5, line 11, delete "*EXCEPTION*" and insert "*EXCEPTIONS*"

Page 5, line 12, delete "*of this act*"

Page 5, line 14, after the period insert "*Sections 2, 3, and 4 do not apply to owner occupied single family residences; single*

family residences which are rented for a period not to exceed four months in any twelve-month period, and condominium units."

Page 5, line 17, delete "\$220,000" and insert "\$256,200"

Page 5, line 18, after the period, insert "*The complement of the department is increased by two in fiscal year 1984 and three in fiscal year 1985.*"

Page 5, line 20, delete "5,"

Page 5, line 22, delete "7" and insert "5"

Page 5, line 23, after the period insert "*Section 7 is effective July 1, 1983.*"

With the recommendation that when so amended the bill pass.

The report was adopted.

Rice from the Committee on Appropriations to which was referred:

H. F. No. 524, A bill for an act relating to low-level radioactive waste; entering the Midwest Interstate Low-Level Radioactive Waste Compact; assessing certain low-level radioactive waste generators; providing for enforcement of the compact; providing for civil and criminal penalties; creating an advisory committee; appropriating money; proposing new law coded in Minnesota Statutes, chapter 116C.

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

The report was adopted.

Rice from the Committee on Appropriations to which was referred:

H. F. No. 796, A bill for an act relating to parks, open space and recreation; authorizing the issuance of state bonds and expenditure of the proceeds to acquire and better regional recreation open space lands by the metropolitan council and metropolitan area local governmental units; authorizing expenditures for acquisition and betterment of state parks, recreation areas, trails, forests, fishing management lands, wildlife management areas, natural and scientific areas, wild, scenic, and recreational rivers, canoe and boating routes, and public water access; appropriating money; amending Minnesota Statutes 1982, sections 85.015, by adding a subdivision; and 473.147, subdivision 1.

Reported the same back with the following amendments:

Page 2, after line 13, insert:

"The publicly owned land on Big Island in Lake Minnetonka shall be designated as a regional park by the Metropolitan Council.

With respect to grants for acquisition in the central riverfront regional park, the council shall, to the maximum extent possible, require acquisition of non fee interest in the housing out parcel on Nicollet Island where consistent with continued housing use and the overall development of the park.

Sec. 3. [MISSISSIPPI RIVERFRONT REGIONAL PARK.]

No funds shall be expended for the Central Mississippi Riverfront Regional Park unless the Minneapolis Park Board and the Hennepin County Park Reserve District enter into a joint powers agreement for the development and management of the park. This section is effective pursuant to section 645.023, subdivision 1."

Page 4, line 21, delete everything after "appropriated"

Page 4, line 22, delete "contained"

Page 4, line 25, after the period, insert:

"From the appropriation for staff and professional services the commissioner may employ not to exceed 26 persons in the unclassified civil service who are in addition to the complement otherwise authorized by law for the department."

Renumber the sections in sequence

With the recommendation that when so amended the bill pass.

The report was adopted.

Rice from the Committee on Appropriations to which was referred:

H. F. No. 858, A bill for an act relating to veterans; clarifying eligibility for certain educational programs; standardize the definition of "veteran"; improve management of grant program; coordinate program with federal law; providing funds for the agent orange program; appropriating money; amending Minnesota Statutes 1982, section 197.75; proposing new law coded in Minnesota Statutes, chapter 197; repealing Minnesota Statutes 1982, sections 197.09; 197.10; and 197.11.

Reported the same back with the following amendments:

Page 5, delete section 3

Renumber subsequent sections

Page 5, line 35, delete "*Sections 1, 2, and 4 are*" and insert "*This act is*"

Amend the title as follows:

Page 1, line 7, delete "appropriating money;"

With the recommendation that when so amended the bill pass.

The report was adopted.

Rice from the Committee on Appropriations to which was referred:

H. F. No. 1017, A bill for an act relating to marriage license and marriage dissolution fees; increasing the marriage license fee; increasing the marriage dissolution filing fees; providing moneys for battered women's programs and for new displaced homemaker programs; amending Minnesota Statutes 1982, sections 357.021, subdivisions 2 and 2a; 517.08, subdivisions 1b and 1c.

Reported the same back with the following amendments:

Page 3, line 6, after "241.66" delete "and" and insert "*This money is appropriated for this purpose to the commissioner of corrections.*"

Page 3, line 7, delete the first "the" and insert "The"

Page 3, line 11, after the period insert "*This money is appropriated for this purpose to the commissioner of economic security.*"

Page 4, line 20, after the period insert "*This money is appropriated for this purpose to the commissioner of corrections.*"

Page 4, line 25, after the period insert "*This money is appropriated for this purpose to the commissioner of economic security.*"

With the recommendation that when so amended the bill pass.

The report was adopted.

Rice from the Committee on Appropriations to which was referred:

H. F. No. 1305, 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 recommendation that the bill pass.

The report was adopted.

Rice from the Committee on Appropriations to which was referred:

S. F. No. 147, A bill for an act relating to retirement; employee and employer contributions to the Minnesota state retirement system; amending Minnesota Statutes 1982, section 352.92, subdivisions 1 and 2.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1982, section 352.04, subdivision 2, is amended to read:

Subd. 2. [EMPLOYEE CONTRIBUTIONS.] The employee contribution to the fund shall be an amount equal to (3.46) 3.73 percent of salary, beginning with the first full pay period after (DECEMBER 31, 1981) *January 18, 1983*. These contributions shall be made by deduction from salary in the manner provided in subdivision 4.

Sec. 2. Minnesota Statutes 1982, section 352.04, subdivision 3, is amended to read:

Subd. 3. [EMPLOYER CONTRIBUTIONS.] The employer contribution to the fund shall be an amount equal to the total amount deducted from the salaries of employees on each payroll abstract, plus an additional (1.58) 1.87 percent of salary beginning with the first full pay period after (JULY 1, 1982) *January 18, 1983*. (FOR THE PERIOD BEGINNING WITH THE FIRST FULL PAY PERIOD AFTER DECEMBER 31, 1981, AND ENDING WITH THE LAST FULL PAY PERIOD BEFORE JULY 1, 1982, THE CONTRIBUTION SHALL BE AN AMOUNT EQUAL TO 3.46 PERCENT OF SALARY PLUS AN ADDITIONAL 1.74 PERCENT OF SALARY.) The employer contribution shall be made in the manner provided in subdivisions 5 and 6.

Sec. 3. Minnesota Statutes 1982, section 352.92, subdivision 1, is amended to read:

Subdivision 1. [EMPLOYEE CONTRIBUTIONS.] Beginning with the first full pay period after (JULY 1, 1982) *the day following final enactment*, in lieu of employee contributions payable under section 352.04, subdivision 2, contributions by covered correctional employees shall be in an amount equal to (4.50) *4.4* percent of salary. (FOR THE PERIOD BEGINNING WITH THE FIRST FULL PAY PERIOD AFTER DECEMBER 31, 1981, AND ENDING WITH THE LAST FULL PAY PERIOD BEFORE JULY 1, 1982, THE CONTRIBUTION SHALL BE IN AN AMOUNT EQUAL TO 3.78 PERCENT OF SALARY.)

Sec. 4. Minnesota Statutes 1982, section 352.92, subdivision 2, is amended to read:

Subd. 2. [EMPLOYER CONTRIBUTIONS.] Beginning with the first full pay period after (JULY 1, 1982) *the day following final enactment*, in lieu of employer contributions payable under section 352.04, subdivision 3, the employer shall contribute for covered correctional employees (1) an amount equal to 1 1/2 times the deduction from salaries of covered correctional employees on each payroll abstract, plus (2) an additional amount of (1.32) *1.3* percent of salaries of covered correctional employees on each payroll abstract. (FOR THE PERIOD BEGINNING WITH THE FIRST FULL PAY PERIOD AFTER DECEMBER 31, 1981, AND ENDING WITH THE LAST FULL PAY PERIOD BEFORE JULY 1, 1982, THE CONTRIBUTION SHALL BE AN AMOUNT EQUAL TO 5.66 PERCENT OF SALARIES OF COVERED CORRECTIONAL EMPLOYEES ON EACH PAYROLL ABSTRACT PLUS AN ADDITIONAL AMOUNT EQUAL TO 3.16 PERCENT OF SALARIES OF COVERED CORRECTIONAL EMPLOYEES ON EACH PAYROLL ABSTRACT.)

Sec. 5. [356.80] [UNREDUCED EARLY RETIREMENT.]

Subdivision 1. [ELIGIBILITY.] *For the period from enactment through June 30, 1985, notwithstanding any law to the contrary of the laws governing the funds enumerated in subdivision 2, any person whose attained age plus credited allowable service totals 85 years shall be entitled upon application to a retirement annuity in an amount equal to the normal annuity without any reduction in annuity by reason of early retirement.*

Subd. 2. [COVERED FUNDS.] *The provisions of this section shall apply 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) *state patrol retirement fund, established pursuant to chapter 352B;*

(4) *public employees retirement association, established pursuant to chapter 353;*

(5) *public employees police and fire fund, established pursuant to chapter 353;*

Sec. 6. [FUND REPORTING REQUIREMENTS.]

Subdivision 1. Each fund to which section 5 applies shall record the following items pertaining to each person retiring under the provisions of section 5.

(a) *age at time of retirement;*

(b) *years of service;*

(c) *salary at time of retirement;*

(d) *high five average salary used to determine retirement annuity; and*

(e) *monthly benefit.*

This information shall be reported to the legislative commission on pensions and retirement twice annually on January 15 and July 15 for the years 1984 and 1985.

Subd. 2. Each fund to which section 5 applies shall specify in its actuarial valuations for June 30, 1983, June 30, 1984, and June 30, 1985, or December 31, 1983, December 31, 1984, and December 31, 1985, whichever is applicable, the actuarial gain or loss attributable to the unreduced early retirement benefit provided in section 2, subdivision 1.

Sec. 7. [EFFECTIVE DATE.]

This act is effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to retirement; Minnesota state retirement system; adopting a rule of 85; correcting employee and employer contribution rates; public employees retirement association; adopting a rule of 85; amending Minnesota Statutes 1982, sections 352.04, subdivisions 2 and 3; and 352.92, subdi-

visions 1 and 2; proposing new law coded in Minnesota Statutes, chapter 356."

With the recommendation that when so amended the bill pass.

The report was adopted.

Rice from the Committee on Appropriations to which was referred:

S. F. No. 253, A bill for an act relating to public welfare; retroactively exempting certain health maintenance organizations from the four percent medical assistance payment reduction.

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

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. Nos. 1310, 100, 288, 796, 858, 1017 and 1305 were read for the second time.

SECOND READING OF SENATE BILLS

S. F. Nos. 147 and 253 were read for the second time.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House File was introduced:

Brinkman introduced:

H. F. No. 1311, A bill for an act relating to dramshop liability; creating an interim study commission on dramshop liability.

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. 360, A bill for an act relating to education; transferring authority for appointing the commissioner of education from the state board of education to the governor; amending Minnesota Statutes 1982, section 121.16.

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. 636, A bill for an act relating to local government; authorizing sewer and water commissions to obtain accountant services; permitting the sale of certain county property; amending Minnesota Statutes 1982, section 116A.24, 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. 365, A bill for an act relating to health care facilities; clarifying the rights and responsibilities of patients and residents; amending Minnesota Statutes 1982, sections 144.651; 144.652; and 145.93, 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 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. 30, A bill for an act relating to veterans affairs; providing residents of the Minnesota veterans home with a right to complain about home accommodations and services; prohibiting retaliatory eviction of residents who exercise their right to complain; proposing new law coded in Minnesota Statutes, chapter 198.

The Senate has appointed as such committee Ms. Peterson, D. C.; Messrs. Bertram and Isackson.

Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce that the Senate refuses to concur in the House amendment to:

S. F. No. 652, A bill for an act relating to agriculture; adopting recommended federal rules relating to milk quality for manufacturing purposes; providing for phase in of inspections and compliance; proposing new law coded in Minnesota Statutes, chapter 32.

The Senate respectfully requests that a Conference Committee be appointed thereon. Messrs. Wegscheid, Merriam, Davis, Berg and DeCramer have been appointed as such committee on the part of the Senate.

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

Ogren 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. 652. The motion prevailed.

Mr. Speaker:

I hereby announce that the Senate refuses to concur in the House amendment to:

S. F. No. 72, A bill for an act relating to occupations and professions; authorizing the commissioner of public safety to provide administrative support services to the board of peace officer standards and training; amending Minnesota Statutes 1982, sections 214.04, subdivision 1; 626.843, subdivision 1; 626.845, subdivision 1; and 626.849.

The Senate respectfully requests that a Conference Committee be appointed thereon. The Senate has appointed as such committee Messrs. Wegscheid, Pogemiller and Ms. Olson.

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

PATRICK E. FLAHAVEN, Secretary of the Senate

Clark, J., 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. 72. The motion prevailed.

Mr. Speaker:

I hereby announce that the Senate refuses to concur in the House amendment to:

S. F. No. 297, A bill for an act relating to criminal justice; requiring peace officers to make arrests based on probable cause in cases of domestic assault; requiring peace officers to notify victims of domestic assault of the legal remedies available; amending Minnesota Statutes 1982, section 629.341; and Laws 1983, chapter 52, by adding a section.

The Senate respectfully requests that a Conference Committee be appointed thereon. The Senate has appointed as such committee Mr. Petty, Ms. Reichgott and Mr. 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

Coleman 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. 297. The motion prevailed.

Mr. Speaker:

I hereby announce that the Senate refuses to concur in the House amendment to:

S. F. No. 695, A bill for an act relating to public welfare; requiring new procedures for determining nursing home payment rates; requiring a moratorium on certification or welfare licensure of new beds with certain exceptions; providing for an interagency board for quality assurance; appropriating money; amending Minnesota Statutes 1982, sections 144A.10, subdivisions 4, 6, and by adding a subdivision; 256B.091, subdivisions 1, 2, 4, and 8; 256B.41; 256B.47; and 256B.48; proposing new law coded in Minnesota Statutes 1982, chapters 144A and 256B;

repealing Minnesota Statutes 1982, sections 256B.42; 256B.43; 256B.44; 256B.45; and 256B.46; and 12 MCAR 2.049.

The Senate respectfully requests that a Conference Committee be appointed thereon. The Senate has appointed as such committee Ms. Berglin, Mrs. Lantry and Mr. Benson.

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

Clawson 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. 695. 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. 300, A bill for an act relating to energy; creating the Minnesota energy authority; establishing a program of loans and financial assistance for households and municipalities; authorizing the issuance of bonds; appropriating money; transferring powers; amending Minnesota Statutes 1982, sections 116C.03, subdivision 2; 116J.03, subdivision 1; 116J.09; 116J.10; 216B.16, by adding a subdivision; 462A.02, subdivision 10; 462A.05, by adding subdivisions; and 462A.21, by adding a subdivision; proposing new law coded in Minnesota Statutes, chapters 116H; 216B; and 462A.

PATRICK E. FLAHAVEN, Secretary of the Senate

Otis moved that the House refuse to concur in the Senate amendments to H. F. No. 300, 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. 1290, 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 with certain conditions; providing for the transfer of certain money in the state treasury; authorizing land acquisition in certain cases; fixing and limiting the amount of fees to be collected in certain cases; creating, abolishing, modifying, and transferring agencies and functions; imposing a penalty; amending Minnesota Statutes 1982, sections 3.732, by adding a subdivision; 15.16, subdivision 5; 15A.083, subdivision 1; 16.32, subdivision 2; 16.75, by adding a subdivision; 16.82, subdivision 1; 16.866, subdivision 1; 16A.125, subdivision 5; 16A.127, subdivisions 1 and 7; 16A.36; 16A.50; 16A.64, subdivisions 2 and 4; 16A.66, subdivisions 1, 2, and 3; 40.072, subdivision 3; 43A.05, subdivision 5; 85A.01, subdivision 2; 85A.04, subdivision 3; 98.47, by adding a subdivision; 98.48, subdivision 9; 105.405, subdivision 2; 105.41, subdivision 5; 116.07, subdivision 2a; 124.46, subdivision 2; 136.40, subdivision 8; 169.123, subdivision 6; 175A.05; 176.183, subdivision 2; 179.7411; 181A.12, subdivision 1; 183.375, subdivision 5; 183.411, subdivision 3; 183.545; 183.57, subdivision 2; 256.481; 256.482; 270.18; 271.01, subdivision 1; 290.06, subdivision 13; 296.18, subdivision 1; 296.421, subdivision 5; 309.53, subdivision 2, and by adding a subdivision; 357.08; 363.02, subdivision 1; 363.06, subdivision 4, and by adding a subdivision; 363.071, subdivision 2; 462A.05, by adding a subdivision; 462A.21, by adding a subdivision; 480.09, subdivision 5; 480.241, subdivision 2; 480A.01, subdivision 2; 481.01; and 546.27, subdivision 2; Laws 1976, chapter 314, section 3; Laws 1980, chapter 614, section 192; proposing new law coded in Minnesota Statutes, chapters 3; 16A; 116C; 198; 270; repealing Minnesota Statutes 1982, sections 3.472; 3.86; 4.073; 105.71; 105.72; 105.73; 105.74; 105.75; 105.751; 105.76; 105.77; 105.78; 105.79; 114A.01; 114A.02; 114A.03; 114A.04; 114A.05; 114A.06; 114A.07; 114A.08; 114A.09; 193.35; 297A.05; and Laws 1965, chapter 66.

PATRICK E. FLAHAVEN, Secretary of the Senate

Battaglia moved that the House refuse to concur in the Senate amendments to H. F. No. 1290, 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.

CONSIDERATION UNDER RULE 1.10

Pursuant to rule 1.10, Rice requested immediate consideration of H. F. No. 549.

H. F. No. 549 was reported to the House.

Otis moved to amend H. F. No. 549, the second engrossment, as follows:

Page 2, line 31, after "years" insert "from the date the loan is made. Interest shall accrue from the date the loan is made, but the first payment of interest or principal shall not be due until one year after the loan was made. The principal shall be amortized in equal periodic payments over the remainder of the term of the loan. The accrued interest on the balance of the loan principal shall be due with each payment. Interest attributable to the first year of deferred payment shall be paid in the same manner as principal"

The motion prevailed and the amendment was adopted.

H. F. No. 549, A bill for an act relating to education; establishing a lending program to fund school energy conservation investments; authorizing the issuance of state bonds pursuant to article XI of the Minnesota Constitution; appropriating money; amending Minnesota Statutes 1982, section 275.125, subdivisions 11a, 11b, and by adding a subdivision; and proposing new law coded in Minnesota Statutes, chapter 116J.

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 110 yeas and 13 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Erickson	Knuth	Onnen	Sherman
Anderson, R.	Evans	Kostohryz	Osthoff	Simoneau
Battaglia	Findlay	Krueger	Otis	Skoglund
Beard	Fjoslien	Kvam	Pauly	Solberg
Begich	Forsythe	Larsen	Peterson	Sparby
Bennett	Graba	Levi	Piper	Stadum
Bergstrom	Greenfield	Long	Price	Staten
Berkelman	Gruenes	Mann	Quinn	Swiggum
Bishop	Gustafson	Marsh	Quist	Swanson
Blatz	Gutknecht	McEachern	Redalen	Tomlinson
Brandl	Haukoos	McKasy	Reif	Tunheim
Brinkman	Heap	Minne	Rice	Uphus
Burger	Himle	Munger	Rodriguez, C.	Valan
Carlson, L.	Hoffman	Murphy	Rodriguez, F.	Valento
Clark, J.	Hokr	Nelson, D.	Rose	Vanasek
Clark, K.	Jacobs	Nelson, K.	St. Onge	Vellenga
Clawson	Jensen	Neuenschwander	Sarna	Waltman
Cohen	Johnson	Norton	Scheid	Welch
Coleman	Kahn	O'Connor	Seaberg	Welle
Eken	Kalis	Ogren	Segal	Wenzel
Elioff	Kelly	Olsen	Shaver	Wynia
Ellingson	Knickerbocker	Omann	Shea	Speaker Sieben

Those who voted in the negative were:

DenOuden	Hoberg	McDonald	Schreiber	Wigley
Frerichs	Jennings	Piepho	Thiede	
Heinitz	Ludeman	Schafer	Welker	

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

CONSIDERATION UNDER RULE 1.10

Pursuant to rule 1.10, Rice requested immediate consideration of H. F. No. 1310.

SUSPENSION OF RULES

Pursuant to Article IV, Section 19, of the Constitution of the state of Minnesota, Rice moved that the rule therein be suspended and an urgency be declared so that H. F. No. 1310 be given its third reading and be placed upon its final passage. The motion prevailed.

Rice moved that the rules of the House be so far suspended that H. F. No. 1310 be given its third reading and be placed upon its final passage. The motion prevailed.

H. F. No. 1310 was reported to the House.

Voss moved to amend H. F. No. 1310, as follows:

Page 12, line 26, delete "The interest" and insert "The debt service payments"

Page 12, line 27, delete "rate"

Page 12, line 28, delete "those of" and insert "the debt costs of the state for"

Page 12, line 30, after "act" insert "including capitalization costs"

The motion prevailed and amendment was adopted.

Burger moved to amend H. F. No. 1310, as amended, as follows:

Page 13, after line 3, insert:

"Sec. 14. [APPROPRIATION REDUCTION.]

Notwithstanding any modification of the provisions of the other sections of this bill, every appropriation specified in sections 1-13 shall be reduced by 5 percent of the amount stated. All expenditures to be made in whole or in part from the appropriations in this bill shall be reduced pro rata to allow implementation of all programs at a level of 95 percent."

Renumber sections as necessary

A roll call was requested and properly seconded.

The question was taken on the amendment and the roll was called. There were 48 yeas and 75 nays as follows:

Those who voted in the affirmative were:

Bennett	Fjoslien	Jennings	Onnen	Sviggum
Bishop	Forsythe	Johnson	Pauly	Thiede
Blatz	Frerichs	Knickerbocker	Quist	Uphus
Burger	Gutknecht	Kvam	Redalen	Valan
Carlson, D.	Haukoos	Levi	Reif	Valento
Dempsey	Heap	Ludeman	Schafer	Waltman
DenOuden	Heinitz	McDonald	Seaberg	Wigley
Dimler	Himle	McKasy	Shaver	Zaffke
Erickson	Hoberg	Olsen	Sherman	
Evans	Hokr	Omann	Stadum	

Those who voted in the negative were:

Anderson, G.	Elioff	Krueger	Peterson	Skoglund
Anderson, R.	Ellingson	Larsen	Piper	Solberg
Battaglia	Findlay	Long	Price	Sparby
Beard	Graba	Mann	Rice	Staten
Begich	Greenfield	Marsh	Rodosovich	Swanson
Bergstrom	Gruenes	Metzen	Rodriguez, C.	Tomlinson
Berkelman	Gustafson	Minne	Rodriguez, F.	Tunheim
Brandl	Hoffman	Munger	St. Onge	Vanasek
Brinkman	Jacobs	Murphy	Sarna	Vellenga
Carlson, L.	Jensen	Nelson, K.	Scheid	Voss
Clark, J.	Kahn	Neuenschwander	Schoenfeld	Welch
Clark, K.	Kalis	Norton	Schreiber	Welle
Clawson	Kelly	O'Connor	Segal	Wenzel
Coleman	Knuth	Osthoff	Shea	Wynia
Eken	Kostohryz	Otis	Simoneau	Speaker Sieben

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

Ludeman moved to amend H. F. No. 1310, as amended, as follows:

Page 3, delete lines 31 to 33

A roll call was requested and properly seconded.

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

Those who voted in the affirmative were:

Anderson, G.	Frerichs	Kalis	Onnen	Thiede
Anderson, R.	Graba	Knickerbocker	Pauly	Tunheim
Bennett	Gruenes	Krueger	Piepho	Uphus
Bishop	Gutknecht	Kvam	Quist	Valan
Blatz	Haukoos	Levi	Redalen	Valento
Burger	Heap	Ludeman	Reif	Waltman
Dempsey	Heinitz	Mann	Schafer	Welker
DenOuden	Himle	Marsh	Schreiber	Welle
Dimler	Hoberg	McDonald	Seaberg	Wenzel
Erickson	Hoffman	McKasy	Shaver	Wigley
Findlay	Hokr	Neuenschwander	Sherman	Zaffke
Fjoslien	Jennings	Olsen	Stadum	
Forsythe	Johnson	Omann	Sviggum	

Those who voted in the negative were:

Battaglia	Elioff	McEachern	Piper	Skoglund
Beard	Ellingson	Metzen	Price	Solberg
Begich	Evans	Minne	Quinn	Sparby
Berkelman	Greenfield	Munger	Rice	Staten
Brandl	Gustafson	Murphy	Rodosovich	Swanson
Brinkman	Jacobs	Nelson, D.	Rodriguez, C.	Tomlinson
Carlson, L.	Jensen	Nelson, K.	Rodriguez, F.	Vanasek
Clark, J.	Kahn	Norton	St. Onge	Vellenga
Clark, K.	Kelly	O'Connor	Sarna	Voss
Clawson	Knuth	Ogren	Scheid	Wynia
Cohen	Kostohryz	Osthoff	Schoenfeld	Speaker Sieben
Coleman	Larsen	Otis	Segal	
Eken	Long	Peterson	Simoneau	

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

Ludeman moved to amend H. F. No. 1310, as amended, as follows:

Page 2, line 11, delete "\$23,358,000" and insert "\$23,108,000"

Page 2, delete lines 26 to 48

Page 3, delete lines 1 to 2

Renumber accordingly

A roll call was requested and properly seconded.

The question was taken on the amendment and the roll was called. There were 56 yeas and 65 nays as follows:

Those who voted in the affirmative were:

Bennett	Forsythe	Knickerbocker	Price	Uphus
Bishop	Frerichs	Kvam	Quist	Valan
Blatz	Gruenes	Larsen	Redalen	Valento
Burger	Gutknecht	Ludeman	Rose	Waltman
Carlson, D.	Haukoos	Marsh	Schafer	Welker
Dempsey	Heinitz	McDonald	Schoenfeld	Wenzel
DenOuden	Himle	McKasy	Seaberg	Wigley
Dimler	Hoberg	Olsen	Shaver	Zaffke
Erickson	Hoffman	Omann	Sherman	
Evans	Jennings	Onnen	Stadum	
Findlay	Johnson	Pauly	Sviggum	
Fjoslien	Kalis	Piepho	Thiede	

Those who voted in the negative were:

Anderson, G.	Beard	Berkelman	Carlson, L.	Clawson
Anderson, R.	Begich	Brandl	Clark, J.	Cohen
Battaglia	Bergstrom	Brinkman	Clark, K.	Coleman

Eken	Knuth	Nelson, K.	Rodriguez, C.	Staten
Elioff	Kostohryz	Norton	Rodriguez, F.	Swanson
Ellingson	Krueger	O'Connor	St. Onge	Tomlinson
Graba	Long	Ogren	Sarna	Tunheim
Greenfield	Mann	Osthoff	Scheid	Vanasek
Gustafson	McEachern	Otis	Segal	Vallenga
Jacobs	Metzen	Peterson	Simoneau	Voss
Jensen	Minne	Piper	Skoglund	Welle
Kahn	Munger	Riveness	Solberg	Wynia
Kelly	Murphy	Rodosovich	Sparby	Speaker Sieben

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

DenOuden moved to amend H. F. No. 1310, as amended, as follows:

Page 10, line 16, delete "\$2,000,000" and insert "\$1,920,000"

Page 10, line 28, delete "\$560,000" and insert "\$480,000"

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

Welker, Fjoslien, Schafer and Uphus moved to amend H. F. No. 1310, as amended, as follows:

Page 2, line 11, strike "\$23,358,000" and insert "\$4,358,000"

Page 3, delete lines 3 to 11

Renumber accordingly

A roll call was requested and properly seconded.

The question was taken on the amendment and the roll was called. There were 47 yeas and 76 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Fjoslien	Johnson	Piepho	Thiede
Blatz	Frerichs	Knickerbocker	Price	Uphus
Burger	Gruenes	Kvam	Quist	Valento
Cohen	Gutknecht	Ludeman	Redalen	Waltman
Coleman	Halberg	Marsh	Rodriguez, C.	Welker
Dempsey	Haukoos	McDonald	Schafer	Wigley
DenOuden	Heap	Olsen	Seaberg	Zaffke
Dimler	Heinitz	Omann	Snaver	
Erickson	Hoberg	Onnen	Sherman	
Findlay	Hoffman	Pauly	Sviggum	

Those who voted in the negative were:

Anderson, G.	Begich	Berkelman	Brinkman	Clark, K.
Battaglia	Bennett	Bishop	Carlson, L.	Clawson
Beard	Bergstrom	Brandl	Clark, J.	Eken

Elioff	Knuth	Norton	St. Onge	Tunheim
Ellingson	Kostohryz	O'Connor	Sarna	Valan
Evans	Krueger	Ogren	Schoenfeld	Vanasek
Graba	Larsen	Osthoff	Segal	Voss
Greenfield	Mann	Otis	Shea	Welch
Gustafson	McKasy	Peterson	Simoneau	Welle
Himle	Metzen	Piper	Skoglund	Wenzel
Jacobs	Minne	Reif	Solberg	Wynia
Jennings	Munger	Rice	Sparby	Speaker Sieben
Jensen	Murphy	Riveness	Stadum	
Kahn	Nelson, D.	Rodosovich	Staten	
Kalis	Nelson, K.	Rodriguez, F.	Swanson	
Kelly	Neuenschwander	Rose	Tomlinson	

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

Fjoslien moved to amend H. F. No. 1310, as amended, as follows:

Page 3, line 5, delete "\$19,000,000" and insert "\$11,855,000"

A roll call was requested and properly seconded.

The question was taken on the amendment and the roll was called. There were 51 yeas and 70 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Fjoslien	Knickerbocker	Piepho	Uphus
Bennett	Frerichs	Krueger	Quist	Valan
Bishop	Gruenes	Kvam	Rodriguez, C.	Valento
Blatz	Halberg	Ludeman	Schafer	Waltman
Burger	Haukoos	Marsh	Schreiber	Welker
Dempsey	Heap	McDonald	Seaberg	Wigley
DenOuden	Heinitz	McKasy	Shaver	Zaffke
Dimler	Himle	Olsen	Shea	
Erickson	Hoberg	Omann	Sherman	
Evans	Jennings	Onnen	Sviggum	
Findlay	Johnson	Pauly	Thiede	

Those who voted in the negative were:

Anderson, G.	Ellingson	McEachern	Piper	Solberg
Battaglia	Greenfield	Metzen	Price	Sparby
Beard	Gustafson	Minne	Reif	Stadum
Begich	Hoffman	Munger	Rice	Staten
Berkelman	Jacobs	Murphy	Riveness	Swanson
Brandl	Jensen	Nelson, D.	Rodosovich	Tomlinson
Brinkman	Kahn	Nelson, K.	Rodriguez, F.	Tunheim
Carlson, D.	Kalis	Neuenschwander	Rose	Vanasek
Carlson, L.	Kelly	Norton	St. Onge	Voss
Clark, J.	Knuth	O'Connor	Sarna	Welch
Clawson	Kostohryz	Ogren	Schoenfeld	Welle
Coleman	Larsen	Osthoff	Segal	Wenzel
Eken	Long	Otis	Simoneau	Wynia
Elioff	Mann	Peterson	Skoglund	Speaker Sieben

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

Knickerbocker moved to amend H. F. No. 1310, as amended, as follows:

Page 2, line 11, delete "\$23,358,000" and insert "\$12,298,000"

Page 3, line 5, delete "\$19,000,000" and insert "\$6,702,000"

A roll call was requested and properly seconded.

The question was taken on the amendment and the roll was called. There were 48 yeas and 79 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Fjoslien	Johnson	Pauly	Svigum
Bishop	Forsythe	Knickerbocker	Piepho	Thiede
Blatz	Frerichs	Kvam	Quist	Uphus
Burger	Gruenes	Ludeman	Redalen	Valento
Cohen	Halberg	Marsh	Reif	Waltman
Dempsey	Haukoos	McDonald	Rodriguez, C.	Welker
DenOuden	Heap	McKasy	Schafer	Wigley
Dimler	Heinitz	Olsen	Schreiber	Zaifke
Erickson	Himle	Omann	Seaberg	
Findlay	Hoberg	Onnen	Sherman	

Those who voted in the negative were:

Anderson, G.	Ellingson	Levi	Peterson	Solberg
Battaglia	Evans	Long	Piper	Sparby
Beard	Graba	Mann	Price	Stadum
Begich	Greenfield	McEachern	Rice	Staten
Bennett	Gustafson	Metzen	Riveness	Swanson
Bergstrom	Hoffman	Minne	Rodosovich	Tomlinson
Berkelman	Jacobs	Munger	Rodriguez, F.	Tunheim
Brandl	Jennings	Murphy	Rose	Valan
Brinkman	Jensen	Nelson, D.	St. Onge	Vanasek
Carlson, D.	Kahn	Nelson, K.	Sarna	Vellenga
Carlson, L.	Kalis	Neuenschwander	Scheid	Welch
Clark, J.	Kelly	Norton	Schoenfeld	Welle
Clawson	Knuth	O'Connor	Segal	Wenzel
Coleman	Kostohryz	Ogren	Shea	Wynia
Eken	Krueger	Osthoff	Simoneau	Speaker Sieben
Elioff	Larsen	Otis	Skoglund	

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

Thiede moved to amend H. F. No. 1310, as amended, as follows:

Page 3, delete line 18

Renumber accordingly

A roll call was requested and properly seconded.

The question was taken on the amendment and the roll was called. There were 58 yeas and 65 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Forsythe	Jennings	Omamn	Stadum
Bennett	Frerichs	Johnson	Onnen	Sviggum
Bishop	Graba	Knickerbocker	Pauly	Thiede
Blatz	Gruenes	Krueger	Piepho	Uphus
Burger	Gutknecht	Kvam	Quist	Valan
Dempsey	Halberg	Ludeman	Redalen	Valento
DenOuden	Haukoos	Marsh	Reif	Waltman
Dimler	Heap	McDonald	Schafer	Welker
Erickson	Heinitz	McEachern	Schoenfeld	Wigley
Evans	Himle	McKasy	Seaberg	Zafike
Findlay	Hoberg	O'Connor	Shaver	
Fjoslien	Hoffman	Olsen	Sherman	

Those who voted in the negative were:

Anderson, G.	Eken	Mann	Riveness	Solberg
Battaglia	Elioff	Metzen	Rodosovich	Sparby
Beard	Ellingson	Minne	Rodriguez, C.	Staten
Begich	Greenfield	Murphy	Rodriguez, F.	Swanson
Bergstrom	Gustafson	Nelson, D.	Rose	Tomlinson
Berkelman	Jacobs	Neuenschwander	St. Onge	Tunheim
Brandl	Jensen	Norton	Sarna	Vanasek
Brinkman	Kahn	Ogren	Scheid	Vellenga
Carlson, L.	Kelly	Osthoff	Schreiber	Welch
Clark, J.	Knuth	Otis	Segal	Welle
Clark, K.	Kostohryz	Peterson	Shea	Wenzel
Clawson	Larsen	Piper	Simoneau	Wynia
Coleman	Long	Rice	Skoglund	Speaker Sieben

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

Anderson, G., moved to amend H. F. No. 1310, as amended, as follows:

Page 14 to 15, delete section 21

ReNUMBER accordingly

A roll call was requested and properly seconded.

The question was taken on the amendment and the roll was called. There were 56 yeas and 65 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Dempsey	Graba	Himle	Larsen
Bennett	DenOuden	Gruenes	Hokr	Ludeman
Blatz	Dimler	Gutknecht	Jennings	Mann
Brinkman	Erickson	Halberg	Jensen	Marsh
Burger	Findlay	Haukoos	Johnson	McEachern
Carlson, D.	Fjoslien	Heap	Kalis	McKasy
Clawson	Frerichs	Heinitz	Kvam	Neuenschwander

Omann	Rose	Skoglund	Uphus	Wigley
Onnen	Schafer	Sviggunn	Valan	
Piepho	Schreiber	Thiede	Valento	
Quist	Shea	Tomlinson	Waltman	
Redalen	Sherman	Tunheim	Welker	

Those who voted in the negative were:

Battaglia	Elioff	Krueger	Osthoff	Schoenfeld
Beard	Ellingson	Levi	Otis	Segal
Begich	Evans	Long	Pauly	Solberg
Bergstrom	Forsythe	McDonald	Peterson	Sparby
Berkelman	Greenfield	Metzen	Piper	Staten
Bishop	Gustafson	Minne	Reif	Swanson
Brandl	Hoberg	Murphy	Rice	Vanasek
Carlson, L.	Hoffman	Nelson, D.	Riveness	Vellenga
Clark, J.	Kahn	Nelson, K.	Rodosovich	Welch
Clark, K.	Kelly	Norton	Rodriguez, C.	Welle
Cohen	Knickerbocker	O'Connor	Rodriguez, F.	Wenzel
Coleman	Knuth	Ogren	St. Onge	Wynia
Eken	Kostohryz	Olsen	Scheid	Speaker Sieben

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

Anderson, G., moved to amend H. F. No. 1310, as amended, as follows:

Page 15, line 8, delete "\$100,000" and insert "\$1,000,000"

The motion prevailed and the amendment was adopted.

Bishop moved to amend H. F. No. 1310, as amended, as follows:

Page 14, line 35, delete "must contain" and insert "may not exceed"

The motion prevailed and the amendment was adopted.

CALL OF THE HOUSE

On the motion of Rice and on the demand of 10 members, a call of the House was ordered. The following members answered to their names:

Anderson, G.	Clark, J.	Ejoslien	Himle	Knuth
Anderson, R.	Clawson	Forsythe	Hoberg	Krueger
Battaglia	Cohen	Frerichs	Hoffman	Kvam
Beard	Coleman	Graba	Hokr	Larsen
Begich	Dempsey	Greenfield	Jacobs	Levi
Bennett	DenOuden	Gruenes	Jennings	Ludeman
Bergstrom	Dimler	Gustafson	Jensen	Mann
Bishop	Elioff	Gutknecht	Johnson	Marsh
Blatz	Ellingson	Halberg	Kahn	McDonald
Brandl	Erickson	Haukoos	Kalis	McEachern
Burger	Evans	Heap	Kelly	McKasy
Carlson, L.	Findlay	Heinitz	Knickerbocker	Metzen

Minne	Onnen	Rice	Segal	Valan
Munger	Osthoff	Riveness	Shaver	Valento
Murphy	Otis	Rodosovich	Shea	Vanasek
Nelson, D.	Pauly	Rodriguez, C.	Sherman	Vellenga
Nelson, K.	Peterson	Rodriguez, F.	Skoglund	Waltman
Neuenschwander	Piepho	Rose	Solberg	Welker
Norton	Piper	St. Onge	Swigum	Welle
O'Connor	Price	Sarna	Swanson	Wenzel
Ogren	Quist	Schafer	Thiede	Wigley
Olsen	Redalen	Schoenfeld	Tomlinson	Zaffke
Omann	Reif	Seaberg	Uphus	Speaker Sieben

Rice moved that further proceedings of the roll call be dispensed with and that the Sergeant at Arms be instructed to bring in the absentees. The motion prevailed and it was so ordered.

H. F. No. 1310, A bill for an act relating to capital improvements; authorizing the acquisition and betterment of public land and buildings and other public improvements of a capital nature with certain conditions; authorizing issuance of state bonds; appropriating money; proposing new law coded in Minnesota Statutes, chapter 16.

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

The question was taken on the passage of the bill and the roll was called.

Rice moved that those not voting be excused from voting. The motion prevailed.

There were 96 yeas and 31 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Erickson	Kostohryz	Piepho	Stadum
Anderson, R.	Evans	Krueger	Piper	Staten
Battaglia	Findlay	Larsen	Price	Svigum
Beard	Fjostien	Long	Quinn	Swanson
Begich	Forsythe	Mann	Redalen	Tomlinson
Bennett	Graba	Marsh	Reif	Tunheim
Bergstrom	Greenfield	McEachern	Rice	Uphus
Berkelman	Gruenes	Metzen	Riveness	Valan
Bishop	Gustafson	Minne	Rodosovich	Vanasek
Brandl	Halberg	Munger	Rodriguez, F.	Vellenga
Brinkman	Heap	Murphy	Rose	Waltman
Carlson, D.	Hoffman	Nelson, D.	St. Onge	Welch
Carlson, L.	Jacobs	Nelson, K.	Sarna	Welle
Clark, J.	Jensen	Neuenschwander	Scheid	Wenzel
Clark, K.	Johnson	Norton	Schoenfeld	Wynia
Clawson	Kahn	O'Connor	Segal	Speaker Sieben
Coleman	Kalis	Ogren	Shea	
Eken	Kelly	Osthoff	Skoglund	
Elioff	Knickerbocker	Otis	Solberg	
Ellingson	Knuth	Peterson	Sparby	

Those who voted in the negative were:

Blatz	Gutknecht	Ludeman	Rodriguez, C.	Welker
Burger	Haukoos	McDonald	Schafer	Wigley
Cohen	Himle	McKasy	Schreiber	Zaifke
Dempsey	Hokr	Omann	Seaberg	
DenOuden	Jennings	Onnen	Sherman	
Dimler	Kvam	Pauly	Thiede	
Frerichs	Levi	Quist	Valento	

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. 870

A bill for an act relating to state government; authorizing the commissioner of the department of economic security to adopt permanent or temporary rules; proposing new law coded in Minnesota Statutes, chapter 268; repealing Minnesota Statutes 1982, section 268.12, subdivision 3.

May 13, 1983

The Honorable Harry A. Sieben, Jr.
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

We, the undersigned conferees for H. F. No. 870, 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. 870 be amended as follows:

Page 1, line 11, delete "*permanent or temporary*"

Page 1, line 11, after "*rules*" insert "*, including temporary rules, in accordance with chapter 14,*"

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

House Conferees: PETER RODOSOVICH, JOHN T. CLAWSON and STEVE SVIGGUM.

Senate Conferees: LAWRENCE J. POGEMILLER, GENE MERRIAM and WILLIAM V. BELANGER, JR.

The Speaker called Wynia to the Chair.

Rodosovich moved that the report of the Conference Committee on H. F. No. 870 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

H. F. No. 870, A bill for an act relating to state government; authorizing the commissioner of the department of economic security to adopt permanent or temporary rules; proposing new law coded in Minnesota Statutes, chapter 268; repealing Minnesota Statutes 1982, section 268.12, 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.

Vanasek moved that those not voting be excused from voting. The motion prevailed.

There were 126 yeas and 0 nays as follows :

Those who voted in the affirmative were:

Anderson, G.	Evans	Knuth	Osthoff	Solberg
Anderson, R.	Findlay	Kostohryz	Otis	Sparby
Battaglia	Fjoslien	Krueger	Pauly	Stadum
Beard	Forsythe	Kvam	Peterson	Staten
Begich	Frerichs	Larsen	Piepho	Sviggum
Bennett	Graba	Levi	Piper	Swanson
Bergstrom	Greenfield	Long	Price	Thiede
Berkelman	Gruenes	Ludeman	Quinn	Tomlinson
Bishop	Gustafson	Mann	Quist	Tunheim
Blatz	Gutknecht	Marsh	Redalen	Uphus
Brandl	Halberg	McDonald	Reif	Valan
Brinkman	Haukoos	McEachern	Rice	Valento
Burger	Heap	McKasy	Rodosovich	Vanasek
Carlson, D.	Heinitz	Metzen	Rodriguez, C.	Vellenga
Carlson, L.	Himle	Minne	Rodriguez, F.	Waltman
Clark, J.	Hoberg	Munger	Rose	Weiker
Clawson	Hoffman	Murphy	St. Onge	Welle
Cohen	Hokr	Nelson, D.	Sama	Wenzel
Coleman	Jacobs	Nelson, K.	Schafer	Wigley
Dempsey	Jennings	Neuenschwander	Schoenfeld	Wynia
DenOuden	Jensen	Norton	Schreiber	Zaffke
Dimler	Johnson	O'Connor	Seaberg	Speaker Sieben
Eken	Kahn	Ogren	Segal	
Elioff	Kalis	Olsen	Shea	
Ellingson	Kelly	Omann	Sherman	
Erickson	Knickerbocker	Onnen	Skoglund	

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

CALL OF THE HOUSE LIFTED

Jennings moved that the call of the House be dispensed with. The motion prevailed and it was so ordered.

SPECIAL ORDERS

H. F. No. 547 was reported to the House.

Vanasek moved that H. F. No. 547 be continued on Special Orders for one day. The motion prevailed.

H. F. No. 722 was reported to the House.

Jacobs moved that H. F. No. 722 be continued on Special Orders for one day. The motion prevailed.

S. F. No. 1011 was reported to the House.

Riveness moved to amend S. F. No. 1011, as follows:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1982, section 268.04, subdivision 2, is amended to read:

Subd. 2. “Base period” means the period of fifty-two calendar weeks immediately preceding the first day of an individual’s benefit year. (PROVIDED,) However, (THAT) if a claimant received weekly worker’s compensation for temporary total disability under the provisions of chapter 176 or under a similar law of the United States for more than seven weeks within the base period, (AS HERETOFORE DEFINED, HIS) or if a claimant, whose own serious illness caused a loss of credit weeks within the base period, received compensation due to the illness from some other source or under a law of this state other than chapter 176 or under a similar law of the United States for more than seven weeks within the base period, the claimant’s base period shall be lengthened by the same number of (SUCH) weeks, but not to exceed 52 weeks, for which (HE) the claimant received (SUCH) the payments (; PROVIDED FURTHER. THAT). No extended base period shall include wage credits upon which benefits were established and paid with respect to a prior valid claim.

Sec. 2. Minnesota Statutes 1982, section 268.04, subdivision 12, is amended to read:

Subd. 12. “Employment” means: (1) Subject to the other provisions of this subdivision “employment” means service performed prior to January 1, 1945, which was employment as defined in this section prior to such date, and any service performed after December 31, 1944, including service in interstate commerce, by an individual who is a servant under the law of master and servant or who performs services for any employing unit, unless such services are performed by an independent contractor.

The term "employment" shall include: Any service performed, including service in interstate commerce, by;

(a) any officer of any corporation; or

(b) any individual other than an individual who is an employee under clause (1) who performs services for remuneration for any person as an agent-driver or commission-driver engaged in distributing meat products, vegetable products, fruit products, bakery products, beverages (other than milk), or laundry or dry-cleaning services, for his principal, or as a traveling or city salesman, other than as an agent-driver or commission-driver, engaged upon a fulltime basis in the solicitation on behalf of, and the transmission to, his principal (except for sideline sales activities on behalf of some other person) of orders from wholesalers, retailers, contractors, or operators of hotels, restaurants, or other similar establishments for merchandise for resale or supplies for use in their business operations;

Provided, that for purposes of clause (1) (b), the term "employment" shall include services described above only if the contract of service contemplates that substantially all of the services are to be performed personally by such individual, the individual does not have a substantial investment in facilities used in connection with the performance of the services (other than in facilities for transportation), and the services are not in the nature of a single transaction that is not part of a continuing relationship with the person for whom the services are performed.

(2) The term "employment" shall include an individual's entire service, performed within or both within and without this state if (a) the service is localized in this state; or (b) the service is not localized in any state but some of the service is performed in this state and (1) the base of operations, or, if there is no base of operations, then the place from which such service is directed or controlled, is in this state; (2) the base of operations or place from which such service is directed or controlled is not in any state in which some part of the service is performed, but the individual's residence is in this state.

(3) Service shall be deemed to be localized within a state if (a) the service is performed entirely within such state; or (b) the service is performed both within and without such state, but the service performed without such state is incidental to the individual's service within the state, for example, is temporary or transitory in nature or consists of isolated transactions.

(4) The term "employment" shall include an individual's service wherever performed within the United States or Canada, if

(a) Such service is not covered under the unemployment compensation law of any other state or Canada, and

(b) The place from which the service is directed or controlled is in this state.

(5) (a) Service covered by an election pursuant to section 268.11, subdivision 3; and

(b) Service covered by an arrangement pursuant to section 268.13 between the commissioner and the agency charged with the administration of any other state or federal employment security law, pursuant to which all service performed by an individual for an employing unit is deemed to be performed entirely within this state; shall be deemed to be employment if the commissioner has approved an election of the employing unit for which such service is performed, pursuant to which the entire service of such individual during the period covered by such election is deemed to be employment.

(6) Notwithstanding any inconsistent provisions of sections 268.03 to 268.24, the term "employment" shall include any services which are performed by an individual with respect to which an employing unit is liable for any federal tax against which credit may be taken for contributions required to be paid into a state unemployment compensation fund or which as a condition for full tax credit against the tax imposed by the federal unemployment tax act is required to be covered under this law.

(7) Service performed by an individual in the employ of the state of Minnesota or any instrumentality which is wholly owned by the state of Minnesota or in the employ of this state and one or more other states or an instrumentality of this state and one or more of its political subdivisions or an instrumentality of this state and another state or an instrumentality of this state and one or more political subdivisions of another state if such service is excluded from "employment" as defined by section 3306(c)(7) of the federal unemployment tax act and is not excluded from "employment" under clause (10) of this subdivision.

(8) Service performed by an individual in the employ of any political subdivision of the state of Minnesota or instrumentality thereof or an instrumentality of two or more political subdivisions of this state or any instrumentality of a political subdivision of this state and another state or political subdivisions of another state if such service is excluded from "employment" as defined by section 3306(c)(7) of the federal unemployment tax act and is not excluded from "employment" under clause (10) of this subdivision.

(a) The provisions of section 268.08, subdivision 6, shall apply to service covered by this section.

(b) The amounts required to be paid in lieu of contributions by any political subdivision shall be billed and payment made as provided in section 268.06, subdivision 28, clause (2), with respect to similar payments by nonprofit organizations.

(9) Service performed by an individual in the employ of a religious, charitable, educational or other organization but only if the following conditions are met:

(a) the service is excluded from "employment" as defined in the federal unemployment tax act solely by reason of section 3306(c) (8) of that act; and

(b) the organization had one or more individuals in employment for some portion of a day in each of 20 different weeks, whether or not such weeks were consecutive, within either the current or preceding calendar year, regardless of whether they were employed at the same moment of time.

(10) For the purposes of clauses (7), (8), and (9), the term "employment" does not apply to service performed

(a) in the employ of a church or convention or association of churches, or an organization which is operated (EXCLUSIVELY) *primarily* for religious purposes and which is operated, supervised, controlled, or principally supported by a church or convention or association of churches; or

(b) by a duly ordained, commissioned, or licensed minister of a church in the exercise of his ministry or by a member of a religious order in the exercise of duties required by such order; or

(c) in a facility conducted for the purpose of carrying out a program of rehabilitation for individuals whose earning capacity is impaired by age or physical or mental deficiency or injury or providing remunerative work for individuals who because of their impaired physical or mental capacity cannot be readily absorbed in the competitive labor market by an individual receiving such rehabilitation or remunerative work; or

(d) as part of an unemployment work relief or work training program assisted or financed in whole or in part by any federal agency or an agency of a state or political subdivision thereof, by an individual receiving such work relief or work training (; EXCEPTING PUBLIC SERVICE EMPLOYMENT AND ON THE JOB TRAINING PARTICIPANTS UNDER THE FEDERAL COMPREHENSIVE EMPLOYMENT AND TRAINING ACT, AS AMENDED, IF THE PARTICIPANTS

ARE PERFORMING SERVICES WHICH ARE THE SAME OR SIMILAR TO THOSE PERFORMED BY OTHER EMPLOYEES OF THE EMPLOYER). *This exclusion shall not apply to programs that provide for and require unemployment insurance coverage for the participants; or*

(e) by an inmate of a custodial or penal institution; or

(f) in the employ of governmental entities referred to in clauses (7) and (8) of this subdivision if such service is performed by an individual in the exercise of duties

(i) as an elected official,

(ii) as a member of a legislative body, or a member of the judiciary,

(iii) as a member of the Minnesota national guard or air national guard,

(iv) as an employee serving only on a temporary basis in case of fire, storm, snow, earthquake, flood or similar emergency,

(v) (a) in a position with the state of Minnesota which is a major nontenured policy making or advisory position in the unclassified service, or

(b) a policy making position with the state of Minnesota or a political subdivision the performance of the duties of which ordinarily does not require more than eight hours per week; or

(c) in a position with a political subdivision which is a major nontenured policy making or advisory position.

(11) The term "employment" shall include the service of an individual who is a citizen of the United States, performed outside the United States, except in Canada, in the employ of an American employer (other than service which is deemed "employment" under the provisions of clauses (2), (3), or (4) or the parallel provisions of another state's law) if:

(a) The employer's principal place of business in the United States is located in this state; or

(b) The employer has no place of business in the United States, but the employer is an individual who is a resident of this state, or the employer is a corporation which is organized under the laws of this state, or the employer is a partnership or a trust and the number of partners or trustees who are residents of this state is greater than the number who are residents of any one other state; or

(c) None of the criteria of (a) and (b) of this clause is met but the employer has elected coverage in this state, or the employer having failed to elect coverage in any state, the individual has filed a claim for benefits, based on such service, under the law of this state.

(d) An "American employer," for the purposes of this subdivision, means a person who is an individual who is a resident of the United States, or a partnership if two-thirds or more of the partners are residents of the United States, or a trust, if all of the trustees are residents of the United States, or a corporation organized under the laws of the United States or of any state;

(e) As used in this subdivision, the term "United States" includes the states, the District of Columbia, the Commonwealth of Puerto Rico, and the Virgin Islands.

(12) Notwithstanding clause ((1)) (2), all service performed by an officer or member of the crew of an American vessel on or in connection with such vessel, if the operating office, from which the operations of such vessel operating on navigable waters within, or within and without, the United States are ordinarily and regularly supervised, managed, directed and controlled is within this state.

(13) Service performed by an individual in agricultural labor as defined in clause (15)(a) of this subdivision when:

(a) Such service is performed for a person who:

(i) during any calendar quarter in either the current or the preceding calendar year paid wages of \$20,000 or more to individuals employed in agricultural labor, or

(ii) for some portion of a day in each of 20 different calendar weeks, whether or not such weeks were consecutive, in either the current or preceding calendar year employed in agricultural labor four or more individuals regardless of whether they were employed at the same time.

(b) For the purpose of this clause (13) any individual who is a member of a crew furnished by a crew leader to perform service in agricultural labor for any other person shall be treated as an employee of the crew leader:

(i) if the crew leader holds a valid certificate of registration under the farm labor contractor registration act of 1963, as amended; or substantially all of the members of his crew operate or maintain tractors, mechanized harvesting or crop dusting equipment, or any other mechanized equipment, which is provided by the crew leader; and

(ii) if the individual is not an employee of another person as determined by clause (1) of this subdivision.

(c) For the purpose of this clause (13) in the case of any individual who is furnished by a crew leader to perform service in agricultural labor for any other person and who is not treated as an employee of the crew leader under subclause (13)(b):

(i) such other person and not the crew leader shall be treated as the employer of such individual; and

(ii) such other person shall be treated as having paid wages to such individual in an amount equal to the amount of wages paid to such individual by the crew leader (either on his own behalf or on behalf of such other person) for the service in agricultural labor performed for such other person.

(d) For the purposes of this clause (13) the term "crew leader" means an individual who:

(i) furnishes individuals to perform service in agricultural labor for any other person,

(ii) pays (either on his own behalf or on behalf of such other person) the individuals so furnished by him for the service in agricultural labor performed by them, and

(iii) has not entered into a written agreement with such other person under which such furnished individual is designated as an employee of such other person.

(e) For the purposes of this clause (13) services performed by an officer or shareholder of a family farm corporation shall be excluded from agricultural labor and employment unless said corporation is an employer as defined in section 3306(a)(2) of the Federal Unemployment Tax Act.

(f) For the purposes of this clause (13), services performed by an individual 16 years of age or under shall be excluded from agricultural labor and employment unless the employer is an employer as defined in section 3306(a)(2) of the Federal Unemployment Tax Act.

(14) The term "employment" shall include domestic service in a private home, local college club, or local chapter of a college fraternity or sorority performed for a person who paid wages of \$1,000 or more in the current calendar year or the preceding calendar year to individuals employed in domestic service in any calendar quarter.

"Domestic service" includes all service for an individual in the operation and maintenance of a private household, for a local

college club, or local chapter of a college fraternity or sorority as distinguished from service as an employee in the pursuit of an employer's trade, occupation, profession, enterprise or vocation.

(15) The term "employment" shall not include:

(a) Agricultural labor. Service performed by an individual in agricultural labor, except as provided in clause (13) of this subdivision. The term "agricultural labor" includes all services performed:

(1) On a farm, in the employ of any person or family farm corporation, in connection with cultivating the soil, or in connection with raising or harvesting any agricultural or horticultural commodity, including the raising, shearing, feeding, caring for, training, and management of livestock, bees, poultry, fur-bearing animals and wildlife;

(2) In the employ of the owner or tenant or other operator of a farm, in connection with the operation, management, conservation, improvement, or maintenance of such farm and its tools and equipment, or in salvaging timber or clearing land of brush and other debris left by a tornadic-like storm, if the major part of such service is performed on a farm;

(3) In connection with the production or harvesting of any commodity defined as an agricultural commodity in section 15 (g) of the agricultural marketing act, as amended (46 Stat. 1550, sec. 3; 12 U.S.C. 1141j) or in connection with the ginning of cotton, or in connection with the operation or maintenance of ditches, canals, reservoirs, or waterways, not owned or operated for profit, used exclusively for supplying and storing water for farming purposes;

(4) In the employ of the operator of a farm in handling, planting, drying, packing, packaging, processing, freezing, grading, storing, or delivering to storage or to market or to a carrier for transportation to market, in its unmanufactured state, any agricultural or horticultural commodity; but only if such operator produced more than one-half of the commodity with respect to which such service is performed, or in the employ of a group of operators of farms (or a cooperative organization of which such operators are members) in the performance of service described herein, but only if such operators produced more than one-half of the commodity with respect to which such service is performed; however, the provisions of this paragraph shall not be deemed to be applicable with respect to service performed in connection with commercial canning or commercial freezing or in connection with any agricultural or horticultural commodity after its delivery to a terminal market for distribution for consumption; or

(5) On a farm operated for profit if such service is not in the course of the employer's trade or business.

As used herein, the term "farm" includes stock, dairy, poultry, fruit, fur-bearing animal, and truck farms, plantations, ranches, nurseries, ranges, greenhouses or other similar structures used primarily for the raising of agricultural or horticultural commodities, and orchards.

(b) Casual labor not in the course of the employing unit's trade or business;

(c) Service performed on the navigable waters of the United States as to which this state is prohibited by the constitution and laws of the United States of America from requiring contributions of employers with respect to wages as provided in sections 268.03 to 268.24;

(d) Service performed by an individual in the employ of his son, daughter, or spouse, and service performed by a child under the age of 18 in the employ of his father or mother;

(e) Service performed in the employ of the United States government, or any instrumentality of the United States exempt under the constitution of the United States from the contributions imposed by sections 268.03 to 268.24, except that with respect to such service and to the extent that the congress of the United States shall permit states to require any instrumentalities of the United States to make payments into an unemployment compensation fund under a state unemployment compensation act; then, to the extent permitted by congress, and from and after the date as of which such permission becomes effective, all of the provisions of these sections shall be applicable to such instrumentalities and to services performed for such instrumentalities in the same manner, to the same extent, and on the same terms as to all other employers, employing units, individuals, and services; provided, that if this state shall not be certified for any year by the United States department of labor under section 3304(c) of the federal internal revenue code, the payments required of such instrumentalities with respect to such year shall be refunded by the commissioner from the fund in the same manner and within the same period as is provided in section 268.16, subdivision 6, with respect to contributions erroneously collected;

(f) Service with respect to which unemployment compensation is payable under an unemployment compensation system established by an act of congress;

(g) (1) Service performed in any calendar quarter in the employ of any organization exempt from income tax under section 501(a) (other than an organization described in section

401(a)) or section 521 of the federal internal revenue code, if the remuneration for such service is less than \$50; or

(2) Service performed in the employ of a school, college, or university, if such service is performed by a student who is enrolled and is regularly attending classes at such school, college, or university; or

(3) Service performed by an individual (UNDER THE AGE OF 22) who is enrolled at a nonprofit or public educational institution which normally maintains a regular faculty and curriculum and normally has a regularly organized body of students in attendance at the place where its educational activities are carried on as a student in a fulltime program, taken for credit at such institution, which combines academic instruction with work experience, if such service is an integral part of such program, and such institution has so certified to the employer, except that this paragraph shall not apply to service performed in a program established for or on behalf of an employer or group of employers;

(h) Service performed in the employ of a foreign government (including service as a consular or other officer or employee or a nondiplomatic representative);

(i) Service performed in the employ of an instrumentality wholly owned by a foreign government, if

(1) The service is of a character similar to that performed in foreign countries by employees of the United States government or of an instrumentality thereof; and

(2) The commissioner finds that the United States secretary of state has certified to the United States secretary of the treasury that the foreign government, with respect to whose instrumentality exemption is claimed, grants an equivalent exemption with respect to similar service performed in the foreign country by employees of the United States government and of instrumentalities thereof.

(j) Service covered by an arrangement between the commissioner and the agency charged with the administration of any other state or federal employment security law pursuant to which all services performed by an individual for an employing unit during the period covered by such employing unit's duly approved election, are deemed to be performed entirely within such agency's state;

(k) Service performed in the employ of a hospital, if such service is performed by a patient of the hospital, as defined in clause (17);

(l) Service performed as a student nurse in the employ of a hospital or a nurses' training school by an individual who is enrolled and is regularly attending classes in a nurses' training school chartered and approved pursuant to state law; and service performed as an intern in the employ of a hospital by an individual who has completed a four years' course in a medical school chartered and approved pursuant to state law;

(m) Service performed by an individual for a person as an insurance agent or as an insurance solicitor, if all such service performed by such individual for such person is performed for remuneration solely by way of commission (the word "insurance" as used in this subdivision shall include an annuity and an optional annuity);

(n) Service performed by an individual under the age of 18 in the delivery or distribution of newspapers or shopping news, not including delivery or distribution to any point for subsequent delivery or distribution;

(o) Service performed by an individual for a person as a real estate salesman, if all such service performed by such individual for such person is performed for remuneration solely by way of commission;

(p) If the service performed during one-half or more of any pay period by an individual for the person employing him constitutes employment, all the service of such individual for such period shall be deemed to be employment; but if the service performed during more than one-half of any such pay period by an individual for the person employing him does not constitute employment, then none of the service of such individual for such period shall be deemed to be employment. As used in this subdivision, the term "pay period" means a period (of not more than 31 consecutive days) for which a payment or remuneration is ordinarily made to the individual by the person employing him.

(q) Services performed for a state, other than the state of Minnesota, or an instrumentality wholly owned by such other state or political subdivision of such other state;

(r) *Services performed as a direct seller as defined in United States Code, title 26, section 3508.*

(16) "Institution of higher education," for the purposes of this chapter, means an educational institution which:

(a) Admits as regular students only individuals having a certificate of graduation from a high school, or the recognized equivalent of such a certificate;

(b) Is legally authorized in this state to provide a program of education beyond high school;

(c) Provides an educational program for which it awards a bachelor's or higher degree, or provides a program which is acceptable for credit toward such a degree, a program of post-graduate or post-doctoral studies, or a program of training to prepare students for gainful employment in a recognized occupation; and

(d) Is a public or other nonprofit institution.

(e) Notwithstanding any of the foregoing provisions of this clause, all colleges and universities in this state are institutions of higher education for purposes of this section.

(17) "Hospital" means an institution which has been licensed, certified or approved by the department of health as a hospital.

Sec. 3. Minnesota Statutes 1982, section 268.04, subdivision 17, is amended to read:

Subd. 17. "Insured work" means employment for employers as defined in this section, except that for the purposes of interstate reciprocal benefit payment arrangements and the clearing of disqualifications under this law, the term "insured work" shall mean employment in insured work under this law or a similar law of any other state. *Periods for which an individual receives back pay are periods of insured work for benefit purposes, except for the clearing of disqualifications under this chapter.*

Sec. 4. Minnesota Statutes 1982, section 268.04, subdivision 25, is amended to read:

Subd. 25. [WAGES.] "Wages" means all remuneration for services, including commissions and bonuses, *back pay as of the date of payment*, and tips and gratuities paid to an employee by a customer of an employer and accounted for by the employee to the employer, and the cash value of all remuneration in any medium other than cash, except that such terms shall not include:

(a) For the purpose of determining contributions payable under section 268.06, subdivision 2, that part of the remuneration which exceeds (\$8,000 DURING THE CALENDAR YEARS 1979, 1980 AND 1981 AND), for (ALL) each (SUBSEQUENT) calendar (YEARS) year, the greater of \$7,000 or that part of the remuneration which exceeds 60 percent of the average annual wage rounded to the nearest \$100 computed in accordance with the provisions of clause (f), paid to an individual by an employer with respect to covered employment in this state, or with respect to employment under the unemployment compensation law of any other state during any calendar year paid to such individual by such covered employer or his predecessor during such calen-

dar year; provided, that if the term "wages" as contained in the federal unemployment tax act is amended to include remuneration in excess of the amount required to be paid hereunder to an individual by an employer under the federal act for any calendar year, wages for the purposes of sections 268.03 to 268.24 shall include remuneration paid in a calendar year up to an amount equal to the dollar limitation specified in the federal unemployment tax act. For the purposes of this clause, the term "employment" shall include service constituting employment under any employment security law of another state or of the federal government;

(b) The amount of any payment made to, or on behalf of, an employee under a plan or system established by an employer which makes provision for his employees generally or for a class or classes of his employees (including any amount paid by an employer for insurance or annuities, or into a fund, to provide for any such payment), on account of (1) retirement or (2) sickness or accident disability or (3) medical and hospitalization expenses in connection with sickness or accident disability, or (4) death, provided the employee has not the option to receive, instead of provision for such death benefit, any part of such payment, or if such death benefit is insured, any part of the premium (or contributions to premiums) paid by his employer and has not the right, under the provisions of the plan or system or policy of insurance providing for such death benefit, to assign such benefit, or to receive a cash consideration in lieu of such benefit either upon his withdrawal from the plan or system providing for such benefit or upon termination of such plan or system or policy of insurance or of his employment with such employer;

(c) The payment by an employer (without deduction from the remuneration of the employee) (1) of the tax imposed upon an employee under section 3101 of the federal internal revenue code, or (2) of any payment required from an employee under a state unemployment compensation law, with respect to remuneration paid to an employee for domestic service in a private home of the employer or for agricultural labor;

(d) Any payments made to a former employee during the period of active military service in the armed forces of the United States by such employer, whether legally required or not;

(e) Any payment made to, or on behalf of, an employee or his beneficiary (1) from or to a trust described in section 401(a) of the federal internal revenue code which is exempt from tax under section 501(a) of such code at the time of such payment unless such payment is made to an employee of the trust as remuneration for services rendered as an employee and not as a beneficiary of the trust, or (2) under or to an annuity plan which, at the time of such payment is a plan described in section 403(a) of the federal internal revenue code, or (c) under

or to a bond purchase plan which, at the time of such payment, is a qualified bond purchase plan described in section 405(a) of the federal internal revenue code;

(f) On or before July 1 of each year the commissioner shall determine the average annual wage paid by employers subject to sections 268.03 to 268.24 in the following manner:

(1) The sum of the total monthly employment reported for the previous calendar year shall be divided by 12 to determine the average monthly employment;

(2) The sum of the total wages reported for the previous calendar year shall be divided by the average monthly employment to determine the average annual wage.

The average annual wage determined shall be effective for the calendar year next succeeding the determination.

Sec. 5. Minnesota Statutes 1982, section 268.04, subdivision 26, is amended to read:

Subd. 26. "Wage credits" mean the amount of wages *actually or constructively* paid (AND), wages (DUE AND PAYABLE BUT NOT) *overdue and delayed beyond the usual time of payment and back pay* paid by or from an employer to an employee for insured work and tips and gratuities paid to an employee by a customer of an employer and accounted for by the employee to the employer except that wages earned in part-time employment by a student as an integral part of an occupational course of study, under a plan for vocational education accepted by the Minnesota department of education, shall not result in wage credits available for benefit purposes.

Sec. 6. Minnesota Statutes 1982, section 268.04, subdivision 29, is amended to read:

Subd. 29. "Credit week" is any week for which (THE) wages (WHICH HAVE BEEN) *or back pay, actually or constructively* paid (AND), wages (WHICH ARE DUE AND PAYABLE BUT NOT PAID) *overdue and delayed beyond the usual time of payment, and back pay* by or from one or more employers to an employee for insured work equal or exceed 30 percent of the average weekly wage computed to the nearest whole dollar. On or before June 30 of each year the commissioner shall determine the average weekly wage paid by employers subject to sections 268.03 to 268.24 in the following manner:

(a) The sum of the total monthly employment reported for the previous calendar year shall be divided by 12 to determine the average monthly employment;

(b) The sum of the total wages reported for the previous calendar year shall be divided by the average monthly employment to determine the average annual wage; and

(c) The average annual wage shall be divided by 52 to determine the average weekly wage.

The average weekly wage as so determined computed to the nearest whole dollar shall apply to claims for benefits which establish a benefit year which begins subsequent to December 31 of the year of the computation.

Sec. 7. Minnesota Statutes 1982, section 268.04, is amended by adding a subdivision to read:

Subd. 33. [BACK PAY.] "Back pay" means a retroactive payment of money by an employer to an employee or former employee for lost wages because of the employer's noncompliance with a state or federal law or a collective bargaining agreement as determined in an arbitration award, administrative or judicial decision, or negotiated settlement. The period to which the payment shall be applied shall commence immediately following the last day of work or as specified in the arbitration award, administrative or judicial decision, or negotiated settlement.

Sec. 8. Minnesota Statutes 1982, section 268.05, subdivision 5, is amended to read:

Subd. 5. [PAYMENT OF EXPENSES OF ADMINISTRATION.] (1) Money credited to the account of this state in the unemployment trust fund by the secretary of the treasury of the United States of America pursuant to section 903 of the Social Security Act, as amended, may be requisitioned and used for the payment of expenses incurred for the administration of Laws 1957, Chapter 883 pursuant to a specific appropriation by the legislature, provided that the expenses are incurred and the money is requisitioned after the enactment of an appropriation law which:

(a) Specifies the purposes for which such money is appropriated and the amounts appropriated therefor.

(b) Limits the period within which such money may be obligated to a period ending not more than two years after the date of the enactment of the appropriation law, and

(c) Limits the amount which may be obligated during any twelve-month period beginning on July 1 and ending on the next June 30 to an amount which does not exceed the amount by which (i) the aggregate of the amounts credited to the account of this state pursuant to section 903 of the Social Security Act, as amended, during the same twelve-month period and the (24)

34 preceding twelve-month periods, exceeds (ii) the aggregate of the amounts used pursuant to this subdivision and charged against the amounts credited to the account of this state during any of such (25) 35 twelve-month periods. For the purposes of this subdivision, amounts used during any such twelve-month period shall be charged against equivalent amounts which were first credited and which are not already so charged; except that no amount obligated for administration during any such twelve-month period may be charged against any amount credited during such a twelve-month period earlier than the 24th preceding such period.

(2) Money credited to the account of this state pursuant to section 903 of the Social Security Act, as amended, may not be withdrawn or used except for the payment of benefits and for the payment of expenses for the administration of Laws 1957, Chapter 883 and of public employment offices pursuant to this subdivision. *Any moneys used for the payment of benefits may be restored for appropriation and use for administrative expenses upon request of the governor, under section 903(c) of the Social Security Act.*

(3) Money requisitioned for the payment of expenses of administration pursuant to this subdivision shall be deposited in the employment services administration fund, but, until expended, shall remain a part of the unemployment fund. The commissioner shall maintain a separate record of the deposit, obligation, expenditure, and return of funds so deposited. If any money so deposited is, for any reason, not to be expended for the purpose for which it was appropriated, or, if it remains unexpended at the end of the period specified by the law appropriating such money, it shall be withdrawn and returned to the secretary of the treasury of the United States for credit to this state's account in the unemployment trust fund.

Sec. 9. Minnesota Statutes 1982, section 268.06, subdivision 1, is amended to read:

Subdivision 1. [PAYMENTS.] (1) Contributions shall accrue and become payable by each employer for each calendar year in which he is subject to sections 268.03 to 268.24 with respect to wages (as defined in section 268.04, subdivision 25) for employment (, EXCEPT THAT CONTRIBUTIONS SHALL NOT BE PAYABLE AFTER DECEMBER 31, 1974 UPON PUBLIC SERVICE WAGES. "PUBLIC SERVICE WAGES" ARE REMUNERATION FOR SERVICES PERFORMED IN A PUBLIC SERVICE JOB TO THE EXTENT THAT SUCH REMUNERATION IS PAID WITH FUNDS PROVIDED UNDER THE COMPREHENSIVE EMPLOYMENT AND TRAINING ACT OF 1973 AND TO THE EXTENT THAT THE UNEMPLOYMENT COMPENSATION FUND IS REIMBURSED FOR BENEFITS BASED UPON SAID PUBLIC SERVICE WAGES PURSUANT TO SECTION 221 OF

UNITED STATES PUBLIC LAW 94-444). Such contributions shall become due and be paid by each employer to the department of economic security for the fund in accordance with such regulations as the commissioner may prescribe, and shall not be deducted, in whole or in part, from the wages of individuals in such employer's employ. No rule of the commissioner shall be put in force which will permit the payment of such contributions at a time or under conditions which will not allow the employer to take credit for such contribution against the tax imposed by section 3301 of the Internal Revenue Code.

(2) In the payment of any contribution, a fractional part of a cent shall be disregarded unless it amounts to one-half cent or more in which case it shall be increased to one cent.

(3) When the contribution rate applied to an employer's taxable payroll for any given calendar quarter results in a computed contribution of less than \$1, the contribution shall be disregarded.

Sec. 10. Minnesota Statutes 1982, section 268.06, subdivision 2, is amended to read:

Subd. 2. [RATES.] Each employer (WHO IS NOT ELIGIBLE FOR AN EXPERIENCE RATIO OR WHO HAS AN EXPERIENCE RATIO OF ONE-TENTH OF ONE PERCENT OR MORE AS COMPUTED IN SUBDIVISION 6) shall pay contributions equal to two and seven-tenths percent for each calendar year prior to 1985 and 5-4/10 percent for 1985 and each subsequent calendar year of wages paid and wages overdue and delayed beyond the usual time of payment from him with respect to employment occurring during each calendar year, except as may be otherwise prescribed in subdivisions 3a and 4. Each employer who has an experience ratio of less than one-tenth of one percent shall pay contributions on only the first \$8,000 in wages paid and wages overdue and delayed beyond the usual time of payment to each employee with respect to employment occurring during each calendar year.

Sec. 11. Minnesota Statutes 1982, section 268.06, subdivision 3a, is amended to read:

Subd. 3a. [RATE FOR NEW EMPLOYERS.] Notwithstanding the provisions of subdivision 2, each employer, who becomes subject to this law, shall pay contributions at a rate:

(a) Not exceeding two and seven-tenths percent, that is the higher of (1) one percent and (2) the state's three-year benefit cost rate for the 36 consecutive month period immediately preceding July 1 of each year for each employer who becomes subject to this law prior to January 1, 1984. For purposes of this clause, the state's three-year benefit cost rate shall be computed annually and shall be derived by dividing the total dollar amount

of benefits paid to claimants under this law during the 36 consecutive calendar months immediately preceding July 1 of each year by the total dollar amount of wages subject to contributions under this law during the same period. The rate so determined shall be applicable for the calendar year next succeeding each computation date.

(b) Not exceeding $2\frac{7}{10}$ percent, that is the higher of (1) one percent and (2) the state's four-year benefit cost rate for the 48 consecutive month period immediately preceding July 1 of each year for each employer, except employers in the construction industry, as determined by the commissioner, (**PRINCIPALLY EMPLOYING LABORERS AND CONSTRUCTION TRADESMEN**), who becomes subject to this law subsequent to December 31, 1983 and prior to January 1, 1985. For purposes of this clause, the state's four-year benefit cost rate shall be computed and derived by dividing the total dollar amount of benefits paid to claimants under this law during the 48 consecutive calendar months immediately preceding July 1, 1983 by the total dollar amount of wages subject to contributions under this law during the same period. The rate so determined shall be applicable for the calendar year 1984.

Each construction employer described above who becomes subject to chapter 268 shall pay contributions at a rate, not exceeding 7.5 percent, that is the higher of (1) one percent, or (2) the state's four-year benefit cost rate for construction employers for the 48 consecutive month period immediately preceding July 1, 1983. For purposes of this clause, the state's four-year benefit cost rate shall be computed and derived by dividing the total dollar amount of benefits paid to claimants of construction employers, as determined by the commissioner, during the 48 consecutive calendar months immediately preceding July 1, 1983 by the total dollar amount of wages of construction employers subject to contributions during the same period. The rate so determined shall be applicable for the calendar year 1984.

(c) Not exceeding $(2\frac{7}{10})\ 5\frac{4}{10}$ percent, that is the higher of (1) one percent and (2) the state's five-year benefit cost rate for the 60 consecutive month period immediately preceding July 1, 1984 and each year thereafter for each employer, except employers in the construction industry, as determined by the commissioner (**PRINCIPALLY EMPLOYING LABORERS AND CONSTRUCTION TRADESMEN**), who becomes subject to this law on January 1, 1985 and thereafter. For purposes of this clause, the state's five-year benefit cost rate shall be computed annually and shall be derived by dividing the total dollar amount of benefits paid to claimants under this law during the 60 consecutive calendar months immediately preceding July 1, 1984 and each year thereafter by the total dollar amount of wages subject to contributions under this law during the same period. The rate so determined shall be applicable for the calendar year next succeeding each computation date.

Each construction employer described above who becomes subject to this chapter shall pay contributions at a rate, not exceeding 7.5 percent, that is the higher of (1) one percent, or (2) the state's five-year benefit cost rate for construction employers for the 60 consecutive month period immediately preceding July 1, 1984 and each year thereafter. For purposes of this clause, the state's five-year benefit cost rate shall be computed annually and shall be derived by dividing the total dollar amount of benefits paid to claimants of construction employers, as determined by the commissioner, during the 60 consecutive calendar months immediately preceding July 1, 1984 and each year thereafter by the total dollar amount of wages of construction employers subject to contributions during the same period. The rate so determined shall be applicable for the calendar year next succeeding each computation date.

Sec. 12. Minnesota Statutes 1982, section 268.06, subdivision 5, is amended to read:

Subd. 5. [BENEFITS CHARGED AS AND WHEN PAID.] Benefits paid to an individual pursuant to a valid claim shall be charged against the account of his employer as and when paid, except that benefits paid to an individual who earned base period wages for part time employment shall not be charged to an employer that is liable for payments in lieu of contributions or to the experience rating account of an employer if the employer: (1) provided weekly base period part time employment; (2) continues to provide weekly employment equal to at least 90 percent of the part time employment provided in the base period; and (3) is an interested party because of the individual's loss of other employment. The amount of benefits so chargeable against each base period employer's account shall bear the same ratio to the total benefits paid to an individual as the base period wage credits of the individual earned from such employer bear to the total amount of base period wage credits of the individual earned from all his base period employers.

In making computations under this provision, the amount of wage credits if not a multiple of \$1, shall be computed to the nearest multiple of \$1.

(AN EMPLOYER'S ACCOUNT SHALL NOT BE CHARGED WITH RESPECT TO BENEFITS PAID TO ANY INDIVIDUAL WHOSE BASE PERIOD WAGE CREDITS INCLUDE WAGES FOR PREVIOUSLY UNCOVERED SERVICES AS DEFINED IN SECTION 268.07, SUBDIVISION 4 TO THE EXTENT THAT THE UNEMPLOYMENT COMPENSATION FUND IS REIMBURSED FOR SUCH BENEFITS PURSUANT TO SECTION 121 OF UNITED STATES PUBLIC LAW 94-566.)

Benefits shall not be charged to an employer that is liable for payments in lieu of contributions or to the experience rating

account of an employer for unemployment that is directly caused by a major natural disaster declared by the president pursuant to section 102 (2) of the Disaster Relief Act of 1974 (42 U.S.C. 5122 (2)), if the unemployed individual would have been eligible for disaster unemployment assistance with respect to that unemployment but for the individual's receipt of unemployment insurance benefits.

Sec. 13. Minnesota Statutes 1982, section 268.06, subdivision 20, is amended to read:

Subd. 20. [PROTEST, REVIEW, REDETERMINATION, APPEAL.] A review of the charges made to an employer's account as set forth in the notice of charges referred to in subdivision 18 and a review of an employer's contribution rate as set forth in the notice of his rate for any calendar year as provided in subdivision 19, may be had by such employer if he files with the commissioner a written protest setting forth his reasons therefore within 30 days from the date of the mailing of the notice of charges or contribution rate to him, which date shall appear on such notice. Upon receipt of such protest the commissioner shall refer the matter to an official designated by him to review the charges appearing on such notice appealed from or the computations of the protesting employer's rate, as the case may be, to determine whether or not there has been any clerical error or error in computation in either case, and he shall either affirm or make a redetermination rectifying said charges or rate as the case may be, and a notice of such affirmation or redetermination shall immediately be mailed to said employer. If the employer is not satisfied with such affirmation or redetermination, he may appeal therefrom by filing a notice thereof with the department within ten days after the date of mailing appearing upon said redetermination. Upon the receipt of such appeal the commissioner shall refer the matter to a referee for a hearing and after opportunity for a fair hearing, the referee shall affirm, modify or set aside the original determination with its affirmation or the redetermination, as appears just and proper. The commissioner may at any time upon his own motion correct any clerical error of the department resulting in charges against an employer's account or any error in the computation of an employer's contribution rate. The referee may order the consolidation of two or more appeals whenever, in his judgment, such consolidation will not be prejudicial to any interested party. At any such hearing a written report of any employee of the department which has been authenticated shall be admissible in evidence. Appeals from the decision of the referee shall be (MADE IN THE SAME MANNER) as (APPEALS FROM THE DECISION OF AN APPEAL TRIBUNAL) provided by section 268.10, subdivision 5. (DECISIONS OF THE COMMISSIONER MADE UPON APPEAL FROM A DECISION OF THE REFEREE SHALL BE REVIEWED BY THE SUPREME COURT UPON CERTIORARI IN ACCORDANCE WITH THE PROCEDURE OUTLINED THEREFOR WITH RESPECT TO BENEFIT DECISIONS.)

Sec. 14. Minnesota Statutes 1982, section 268.06, subdivision 28, is amended to read:

Subd. 28. [PAYMENT TO FUND BY NONPROFIT CORPORATION AND ALLOCATION OF BENEFIT COSTS BY BASE PERIOD REIMBURSERS.] (1) Benefits paid to employees of nonprofit organizations shall be financed in accordance with the provisions of this subdivision. For the purpose of this subdivision, a nonprofit organization is an organization (or group of organizations) described in section 501(c) (3) of the United States internal revenue code which is exempt from income tax under section 501(a) of such code. Any nonprofit organization which, pursuant to section 268.04, subdivision 10, clause (9) is, or becomes, subject to this law on or after January 1, 1972, shall pay contributions under the provisions of section 268.06, subdivision 1, unless it elects, in accordance with this paragraph, to pay to the commissioner for the unemployment fund an amount equal to the amount of regular benefits and the state share of the extended benefits charged, that is attributable to service in the employ of such nonprofit organization, to individuals for weeks of unemployment which begin during the effective period of such election.

(a) (ANY NONPROFIT ORGANIZATION WHICH IS, OR BECOMES, SUBJECT TO THIS LAW ON JANUARY 1, 1972, MAY ELECT TO BECOME LIABLE FOR PAYMENTS IN LIEU OF CONTRIBUTIONS FOR A PERIOD OF NOT LESS THAN TWO CALENDAR YEARS BEGINNING WITH JANUARY 1, 1972; PROVIDED IT FILES WITH THE COMMISSIONER A WRITTEN NOTICE OF ITS ELECTION WITHIN THE 30 DAY PERIOD IMMEDIATELY FOLLOWING SUCH DATE.)

((B)) Any nonprofit organization which becomes subject to this law after January 1, 1972, may elect to become liable for payments in lieu of contributions for a period of not less than two calendar years beginning with the date on which such subjectivity begins by filing a written notice of its election with the commissioner not later than 30 days immediately following the date of the determination of such subjectivity.

((C)) (b) Any nonprofit organization which makes an election in accordance with clause (a) or clause (b) will continue to be liable for payments in lieu of contributions until it files with the commissioner a written notice terminating its election not later than 30 days prior to the beginning of the calendar year for which such termination shall first be effective.

((D)) (c) Any nonprofit organization which has been paying contributions under this law for a period subsequent to January 1, 1972, may change to a reimbursable basis by filing with the commissioner not later than 30 days prior to the beginning of any calendar year a written notice of election to become

liable for payments in lieu of contributions. Such election shall not be terminable by the organization for that and the next year.

((E)) (d) The commissioner may for good cause extend the period within which a notice of election, or a notice of termination, must be filed and may permit an election to be retroactive but not any earlier than with respect to benefits paid after December 31, 1971.

((F)) (e) The commissioner, in accordance with such regulations as he may prescribe, shall notify each nonprofit organization of any determination which he may make of its status as an employer and of the effective date of any election which it makes and of any termination of such election. Such determinations shall be final unless reviewed in accordance with the provisions of section 268.12, subdivision 13.

(2) Payments in lieu of contributions shall be made at the end of each calendar quarter, or at the end of any other period as determined by the commissioner and become due on the last day of the month next following the month in which the notice of benefits charged is mailed to the employer. The commissioner shall bill each nonprofit organization (or group of such organizations) which has elected to make payments in lieu of contributions for an amount equal to the full amount of regular benefits plus one-half of the amount of extended benefits charged during such quarter or other prescribed period that is attributable to service in the employ of such organization.

(3) Past due payments of amounts in lieu of contributions shall be subject to the same interest charges and collection procedures that apply to past due contributions under sections 268.16 and 268.161.

(4) If any nonprofit organization is delinquent in making payments in lieu of contributions as required under this subdivision, the commissioner may terminate such organization's election to make payments in lieu of contributions as of the beginning of the next taxable year, and such termination shall be effective for that and the following taxable year.

Sec. 15. Minnesota Statutes 1982, section 268.06, subdivision 29, is amended to read:

Subd. 29. [GROUP ACCOUNTS.] Two or more employers that have become liable for payments in lieu of contributions may file a joint application to the commissioner for the establishment of a group account for the purpose of sharing the cost of benefits paid that are attributable to service in the employ of such employers. Each such application shall identify and authorize a group representative to act as the group's agent for the purposes of this subdivision. Upon his approval of the appli-

cation, the commissioner shall establish a group account for such employers effective as of the beginning of the calendar year in which the application is received by the commissioner and shall notify the group's representative of the effective date of the account. Such account shall remain in effect for not less than two years and thereafter until terminated at the discretion of the commissioner or upon application by the group at least 30 days prior to the end of such two year period or 30 days prior to January 1 of any calendar year subsequent to such two calendar years. (UPON ESTABLISHMENT OF THE ACCOUNT,) Each member of the group shall be *jointly and severally* liable for payments in lieu of contributions (IN THE AMOUNT THAT BEARS THE SAME RATIO TO THE TOTAL BENEFITS PAID THAT ARE ATTRIBUTABLE TO SERVICE PERFORMED IN THE EMPLOY OF ALL MEMBERS OF THE GROUP AS THE TOTAL WAGE CREDITS FOR SERVICE IN EMPLOYMENT BY SUCH MEMBER BEAR TO THE TOTAL DURING THE BASE PERIOD FOR SERVICE PERFORMED IN THE EMPLOY OF ALL MEMBERS OF THE GROUP) *for all benefits paid based upon wage credits earned with a group member during the period the group account was in effect.* The commissioner shall prescribe such regulations as he deems necessary with respect to applications for establishment, maintenance and termination of group accounts that are authorized by this subdivision, for addition of new members to, and withdrawal of active members from, such account, and for the determination of the amounts that are payable under this subdivision by members of the group and the time and manner of such payments.

Sec. 16. [268.061] [SURCHARGE; EMERGENCY INTEREST REPAYMENT FUND.]

Subdivision 1. [AMOUNT.] Each employer, except those making payments in lieu of contributions pursuant to section 268.06, subdivisions 25, 26, 27 and 28, shall pay an annual surcharge of 10 percent of contributions paid or due and payable for the calendar year of 1982 and for each calendar year thereafter. The commissioner shall notify employers of the contributions upon which the surcharge is based and the amount of surcharge payable no later than August 1, 1983, and August 1 for each taxable year thereafter. The surcharge for taxable year 1982 shall be paid no later than August 31, 1983, and by the 31st day of August each taxable year thereafter. Payments due under this subdivision are subject to the collection provisions of sections 268.16 and 268.161. The surcharges paid under this subdivision are not contributions for the purposes of section 268.06, subdivision 6. The commissioner may temporarily reduce the amount of surcharge imposed by this section when there are sufficient funds raised by the surcharge to make the interest payment required on federal funds advanced to the state under section 1202 of the Social Security Act.

Subd. 2. [EMERGENCY INTEREST REPAYMENT FUND, CREATION.] A special fund to be known as the emergency interest repayment fund is created in the state treasury. The special fund is separate and distinct from any fund or account created for any other purposes of sections 268.03 to 268.24. All collections from the surcharge shall be deposited in the special fund. The special fund shall be used only to pay interest accruing on funds advanced from the federal government pursuant to section 1202 of the Social Security Act. All moneys in this fund shall be deposited, administered, and disbursed in the same manner and under the same conditions and requirements as are provided by law for the other special funds in the state treasury, except that all interest resulting from the investment or deposit of these funds shall accrue to the emergency fund for the purposes of the fund.

Subd. 3. [REPORT TO LEGISLATURE.] On January 1, 1984, and on each January 1 thereafter the commissioner shall report to the legislature on the status of the outstanding funds advanced pursuant to section 1202 of the Social Security Act, including the interest charged on those funds. When all advanced funds and the interest charged on those funds have been repaid to the federal government, the commissioner shall recommend appropriate action by the legislature relating to the termination of the emergency interest repayment fund and the disposition of any money still in the fund.

Sec. 17. Minnesota Statutes 1982, section 268.07, subdivision 2, is amended to read:

Subd. 2. [WEEKLY BENEFIT AMOUNT AND DURATION.] If the commissioner finds that an individual has earned 15, or more, credit weeks within the base period of employment in insured work with one or more employers, benefits shall be payable to such individual during his benefit year as follows:

(1) Weekly benefit amount shall be equal to 60 percent of the first \$85, 40 percent of the next \$85 and 50 percent of the remainder of the average weekly wage of such individual (.). The amount so computed (TO THE NEAREST) if not a whole dollar shall be rounded down to the next lower dollar amount. The maximum weekly benefit amount of claims for benefits which establish a benefit year subsequent to July 1, 1979 shall be 66 2/3 percent of the average weekly wage, except as provided in clause (d).

On or before June 30 of each year the commissioner shall determine the average weekly wage paid by employers subject to sections 268.03 to 268.24 in the following manner:

(a) The sum of the total monthly employment reported for the previous calendar year shall be divided by 12 to determine the average monthly employment.

(b) The sum of the total wages reported for the previous calendar year shall be divided by the average monthly employment to determine the average annual wage.

(c) The average annual wage shall be divided by 52 to determine the average weekly wage.

The maximum weekly benefit amount as so determined computed to the nearest whole dollar shall apply to claims for benefits which establish a benefit year which begins subsequent to June 30 of each year.

(d) The maximum weekly benefit amount for claims for benefits which establish a benefit year subsequent to June 30, 1982, and prior to July 1, 1983, shall be \$184.

The maximum weekly benefit amount for claims for benefits which establish a benefit year subsequent to June 30, 1983, and prior to July 1, 1984, shall be \$191.

The maximum weekly benefit amount for claims for benefits which establish a benefit year subsequent to June 30, 1984, and prior to July 1, 1985, shall be \$198.

(2) An individual's maximum amount of regular benefits payable in a benefit year shall not exceed the lesser of (a) 26 times his weekly benefit amount or (b) 70 percent of the number of credit weeks earned by such an individual computed to the nearest whole week times his weekly benefit amount.

(3) Each eligible individual who is unemployed in any week shall be paid with respect to such week a benefit in an amount equal to his weekly benefit amount less that part of his earnings, including holiday pay, payable to him with respect to such week which is in excess of \$25 or \$200 for earnings from service in the national guard or a United States military reserve unit. *Jury duty pay is not considered as earnings and shall not be deducted from benefits paid.* Such benefit, if not a (MULTIPLE OF \$1.) whole dollar amount shall be (COMPUTED) rounded down to the next (HIGHER MULTIPLE OF \$1) lower dollar amount.

(4) The provisions of this subdivision shall apply to claims for benefits which establish a benefit year subsequent to June 30, (1982) 1983.

Sec. 18. Minnesota Statutes 1982, section 268.07, subdivision 3, is amended to read:

Subd. 3. [WHEN WAGE CREDITS ARE NOT AVAILABLE.] (1) No individual may receive benefits in a benefit year unless, subsequent to the beginning of the next preceding benefit year during which (HE RECEIVED) benefits were re-

ceived, (HE) *the individual* performed service in insured work as defined in section 268.04, subdivision 17, and earned remuneration for (SUCH) *the* service in an amount equal to not less than the minimum wage credits required to qualify for benefits.

(2) No employer who provided 90 percent or more of the wage credits in a claimant's base period shall be charged for benefits based upon earnings of (SUCH) *the* claimant during a subsequent base period unless (HE) *the employer* has employed (SUCH) *the* claimant in any part of (SUCH) *the* subsequent base period.

(3) Wages paid by an employing unit may not be used for benefit purposes by any individual who (a) individually or jointly with a spouse, parent or child owns or controls directly or indirectly 25 percent or more interest in the employing unit; or (b) is the spouse, parent or minor child of any individual who owns or controls directly or indirectly 25 percent or more interest in the employing unit; and (c) is not permanently separated from employment.

This clause (SHALL BE) *is* effective when the individual has been paid four times the individual's weekly benefit amount in the current benefit year.

((4) WAGES PAID BY AN EMPLOYING UNIT MAY NOT BE USED FOR BENEFIT PURPOSES DURING A BENEFIT YEAR COMMENCING AFTER OCTOBER 1, 1982, IF THE TOTAL AMOUNT OF WAGE CREDITS IN THE BASE PERIOD EQUAL OR EXCEED THREE TIMES THE AVERAGE ANNUAL WAGE, AS DETERMINED IN SUBDIVISION 2, IN THE SECOND YEAR PRECEDING THE CALENDAR YEAR IN WHICH THE INDIVIDUAL'S VALID CLAIM WAS ESTABLISHED.)

((5)) (4) Wages paid in seasonal employment, as defined in subdivision 2a, are not available for benefit purposes during weeks in which there is no seasonal employment available with the employer.

Sec. 19. Minnesota Statutes 1982, section 268.071, subdivision 3, is amended to read:

Subd. 3. [ELIGIBILITY REQUIREMENTS FOR EXTENDED BENEFITS.] An individual shall be eligible to receive extended benefits with respect to any week of unemployment in his eligibility period only if the commissioner finds that with respect to such week:

(1) He is an "exhaustee" as defined in subdivision 1, clause (9);

(2) He has satisfied the requirements of this law for the receipt of regular benefits that are applicable to individuals claiming extended benefits, including not being subject to a disqualification for the receipt of benefits, *except that an individual disqualified for benefits pursuant to section 268.09, subdivision 1, clause (6) is not eligible for extended benefits unless the individual has, subsequent to the disciplinary suspension, earned at least four times his or her weekly extended benefit amount; and*

(3) He has, during his base period earned wage credits available for benefit purposes of not less than 40 times his weekly benefit amount as determined pursuant to section 268.07, subdivision 2.

Sec. 20. Minnesota Statutes 1982, section 268.08, subdivision 1, is amended to read:

Subdivision 1. [ELIGIBILITY CONDITIONS.] An individual shall be eligible to receive benefits with respect to any week of unemployment only if the commissioner finds that *the individual:*

(1) (HE) has registered for work at and thereafter has continued to report to an employment office, or agent of (SUCH) *the office*, in accordance with (SUCH REGULATIONS AS) *rules* the commissioner may (PRESCRIBE) *adopt*; except that the commissioner may by (REGULATION) *rule* waive or alter either or both of the requirements of this clause as to types of cases or situations with respect to which (HE) *the commissioner* finds that compliance with (SUCH) *the requirements* would be oppressive or would be inconsistent with the purposes of sections 268.03 to 268.24;

(2) (HE) has made a claim for benefits in accordance with (SUCH REGULATIONS) *rules* as the commissioner may (PRESCRIBE) *adopt*; and

(3) (HE) was able to work and was available for work, and was actively seeking work (, PROVIDED THAT). *The individual's weekly benefit amount shall be reduced one-fifth for each day (SUCH) the individual is unable to work or is unavailable for work (; PROVIDED FURTHER THAT). Benefits shall not be denied by application of this clause to an individual who is in training with the approval of the commissioner or in training approved pursuant to section 236 of the Trade Act of 1974, as amended;*

An individual (SHALL BE) *is* deemed unavailable for work with respect to any week which occurs in a period when (HE) *the individual* is a full-time student in attendance at, or on vacation from an established school, college or university unless a majority of the credit weeks earned in (HIS) *the base period*

were for services performed during weeks in which (HE) *the student* was attending school as a full-time student.

An individual serving as a juror shall be considered as available for work and actively seeking work on each day the individual is on jury duty.

(4) (HE) has been unemployed for a waiting period of one week during which (HE) *the individual* is otherwise eligible for benefits under sections 268.03 to 268.24 (, PROVIDED,). However, payment for the waiting week shall be made to (SUCH) *the individual* after (HE) *the individual* has qualified for and been paid benefits for four weeks of unemployment in a benefit year which period of unemployment is terminated because of (SUCH) *the individual's* return to employment. No individual (SHALL BE) is required to serve a waiting period of more than one week within the one year period subsequent to filing a valid claim and commencing with the week within which (SUCH) *the* valid claim was filed.

Sec. 21. Minnesota Statutes 1982, section 268.08, subdivision 3, is amended to read:

Subd. 3. [NOT ELIGIBLE.] An individual shall not be eligible to receive benefits for any week with respect to which he is receiving, has received, or has filed a claim for remuneration in an amount equal to or in excess of his weekly benefit amount in the form of

(1) termination, severance, or dismissal payment or wages in lieu of notice whether legally required or not; provided that if a termination, severance, or dismissal payment is made in a lump sum, the employer may allocate such lump sum payment over a period equal to the lump sum divided by the employee's regular pay while employed by such employer; provided any such payment shall be applied for a period immediately following the last day of work but not to exceed 28 calendar days; or

(2) vacation allowance paid directly by the employer for a period of requested vacation, including vacation periods assigned by the employer under the provisions of a collective bargaining agreement, or uniform vacation shutdown; or

(3) compensation for loss of wages under the workers' compensation law of this state or any other state or under a similar law of the United States, or under other insurance or fund established and paid for by the employer; or

(4) 50 percent of the pension payments from any fund, annuity or insurance maintained or contributed to by a base period employer including the armed forces of the United States if the employee contributed to the fund, annuity or insurance and all

of the pension payments if the employee did not contribute to the fund, annuity or insurance; or

(5) 50 percent of a primary insurance benefit under Title II of the social security act as amended, or similar old age benefits under any act of congress or this state or any other state.

Provided, that if such remuneration is less than the benefits which would otherwise be due under sections 268.03 to 268.24, he shall be entitled to receive for such week, if otherwise eligible, benefits reduced by the amount of such remuneration; provided, further, that if the appropriate agency of such other state or the federal government finally determines that he is not entitled to such benefits, this provision shall not apply. *If the computation of reduced benefits, required by this subdivision, is not a whole dollar amount, it shall be rounded down to the next lower dollar amount.*

Sec. 22. Minnesota Statutes 1982, section 268.08, is amended by adding a subdivision to read:

Subd. 3a. [RECEIPT OF BACK PAY.] Back pay received by an individual with respect to any weeks of unemployment occurring in the 104 weeks immediately preceding the payment of the back pay shall be deducted from benefits paid for those weeks.

The amount deducted shall not reduce the benefits for which the individual is otherwise eligible for that week below zero. If the amount of benefits after the deduction of back pay is not a whole dollar amount, it shall be rounded to the next lower dollar.

If a deduction from back pay is paid to the fund for benefits deductible under this subdivision, the payment: (a) shall be applied to benefit overpayments resulting from the payment of the back pay; (b) credited to the individual's maximum amount of benefits payable in a benefit year which includes the weeks of unemployment for which back pay was deducted; and (c) benefit charges for those weeks shall be removed from the employer's account as of the calendar quarter in which the fund receives payment.

Payments to the fund under this subdivision are made by the employer on behalf of the individual and are not voluntary contributions under section 268.06, subdivision 24.

Sec. 23. Minnesota Statutes 1982, section 268.08, subdivision 6, is amended to read:

Subd. 6. [SERVICES PERFORMED FOR STATE, MUNICIPALITIES OR CHARITABLE CORPORATION.] (EFFECTIVE JANUARY 1, 1978) Benefits based on service in employment defined in section 268.04, subdivision 12, clauses (7),

(8) and (9), (SHALL BE) *are* payable in the same amount, on the same terms and subject to the same conditions as benefits payable on the basis of other service subject to this chapter; except that

(a) (WITH RESPECT TO WEEKS OF UNEMPLOYMENT AFTER DECEMBER 31, 1977.) Benefits based upon service performed in an instructional, research, or principal administrative capacity for an institution of higher education or a public school, or a nonpublic school or the Minnesota school for the deaf or Minnesota braille and sight saving school, or in a public or nonpublic school for an educational cooperative service unit established under section 123.58, or any other educational service agency as defined in section 3304 (a) (6) (A) (IV) of the federal unemployment tax act, shall not be paid for any week of unemployment commencing during the period between two successive academic years or terms, or during a similar period between two regular but not successive terms, or during a period of paid sabbatical leave provided for in the individual's contract, to any individual if the individual performs the services in the first of the academic years or terms and if there is a contract or a reasonable assurance that the individual will perform services in any such capacity for any institution of higher education, public school, nonpublic school, state deaf and sight saving schools, an educational cooperative service unit, or other educational service agency, (OR DEVELOPMENTAL ACHIEVEMENT CENTER) in the second of the academic years or terms, and

(b) With respect to service performed (AFTER DECEMBER 31, 1977) in any capacity (,) other than those capacities described in clause (a) of this subdivision, for an *institution of higher education*, or a public school or nonpublic school, or the Minnesota school for the deaf or Minnesota braille and sight saving school, or in a public or nonpublic school or for an educational cooperative service unit established under section 123.58, or any other educational service agency as defined in section 3304 (a) (6) (A) (IV) of the federal unemployment tax act, benefits shall not be paid on the basis of these services to any individual for any week which commences during a period between two successive academic years or terms if the individual performs the services in the first of the academic years or terms and there is a reasonable assurance that the individual will perform the services in the second of the academic years or terms (,). *If benefits are denied to any individual under this clause and the individual was not offered an opportunity to perform the services in the second of the academic years or term, the individual shall be entitled to a retroactive payment of benefits for each week in which the individual filed a timely claim for benefits, but the claim was denied solely because of this clause; and*

(c) With respect to (ANY) services described in (CLAUSE) clauses (a) or (b), benefits payable on the basis of the services

shall not be paid to any individual for any week which commences during an established and customary vacation period or holiday recess if the individual performs the services in the period immediately before the vacation period or holiday recess, and there is a reasonable assurance that the individual will perform the services in the period immediately following the vacation period or holiday recess.

Sec. 24. Minnesota Statutes 1982, section 268.08, is amended by adding a subdivision to read:

Subd. 9. [SERVICES FOR CERTAIN CONTRACTORS.] Benefits based upon services performed for an employer are subject to subdivision 6, clauses (b) and (c) if:

(a) the employment was provided pursuant to a contract between the employer and a public or private school;

(b) the contract was for services which the public or private school could have had performed by its employees;

(c) the employment was not as defined in section 268.04, subdivision 12, clauses (7), (8), and (9); and

(d) the individual is notified in writing of the provisions of this subdivision while employed in 1983 or prior to or at the time of commencing the employment.

Sec. 25. Minnesota Statutes 1982, section 268.09, subdivision 1, is amended to read:

Subdivision 1. [DISQUALIFYING CONDITIONS.] An individual separated from employment under clauses (1), (2), (AND), or (3) shall be disqualified for waiting week credit and benefits. *For separations under clauses (1) and (2), the disqualification shall continue until 4 calendar weeks have elapsed following his separation and (HE) the individual has earned four times his weekly benefit amount in insured work.*

(1) [VOLUNTARY LEAVE.] The individual voluntarily and without good cause attributable to the employer discontinued his employment with such employer. For the purpose of this clause, a separation from employment by reason of its temporary nature or for inability to pass a test or for inability to meet performance standards necessary for continuation of employment or based solely on a provision in a collective bargaining agreement by which an individual has vested discretionary authority in another to act in behalf of the individual shall not be deemed voluntary.

A separation shall be for good cause attributable to the employer if it occurs as a consequence of sexual harassment. Sex-

ual harassment means unwelcome sexual advances, requests for sexual favors, sexually motivated physical contact or other conduct or communication of a sexual nature when: (1) the employee's submission to such conduct or communication is made a term or condition of the employment, (2) the employee's submission to or rejection of such conduct or communication is the basis for decisions affecting employment, or (3) such conduct or communication has the purpose or effect of substantially interfering with an individual's work performance or creating an intimidating, hostile, or offensive working environment and the employer knows or should know of the existence of the harassment and fails to take timely and appropriate action.

(2) [DISCHARGE FOR MISCONDUCT.] The individual was discharged for misconduct, not amounting to gross misconduct connected with his work or for misconduct which interferes with and adversely affects his employment.

An individual shall not be disqualified under clauses (1) and (2) of this subdivision under any of the following conditions:

(a) The individual voluntarily discontinued his employment to accept work offering substantially better conditions of work or substantially higher wages or both;

(b) The individual is separated from employment due to his own serious illness provided that such individual has made reasonable efforts to retain his employment;

An individual who is separated from his employment due to his illness of chemical dependency which has been professionally diagnosed or for which he has voluntarily submitted to treatment and who fails to make consistent efforts to maintain the treatment he knows or has been professionally advised is necessary to control that illness has not made reasonable efforts to retain his employment.

(c) The individual accepts work from a base period employer which involves a change in his location of work so that said work would not have been deemed to be suitable work under the provisions of subdivision 2 and within a period of 13 weeks from the commencement of said work voluntarily discontinues his employment due to reasons which would have caused the work to be unsuitable under the provision of said subdivision 2;

(d) The individual left employment because he had reached mandatory retirement age and was 65 years of age or older;

(e) The individual is terminated by his employer because he gave notice of intention to terminate employment within 30 days. This exception shall be effective only through the calendar week which includes the date of intended termination, provided

that this exception shall not result in the payment of benefits for any week for which he receives his normal wage or salary which is equal to or greater than his weekly benefit amount;

(f) The individual is separated from employment due to the completion of an apprenticeship program, or segment thereof, approved pursuant to chapter 178;

(g) The individual voluntarily leaves part-time employment with a base period employer while continuing full-time employment if the individual attempted to return to part-time employment after being separated from the full-time employment, and if substantially the same part-time employment with the base period employer was not available for the individual.

(3) [DISCHARGE FOR GROSS MISCONDUCT.] The individual was discharged for gross misconduct connected with his work or gross misconduct which interferes with and adversely affects his employment (AND PROVIDED FURTHER THAT). *For a separation under this clause, the commissioner (IS EMPOWERED TO) shall impose a total disqualification for the benefit year and (TO) cancel (PART OR) all of the wage credits from the last employer from whom he was discharged for gross misconduct connected with his work.*

For the purpose of this clause "gross misconduct" (SHALL BE) is defined as misconduct involving assault and battery or the malicious destruction of property (OR THE THEFT OF MONEY OR PROPERTY OF A VALUE OF \$100 OR MORE) or arson or sabotage or embezzlement or any other act, *including theft, the commission of which amounts to a felony or gross misdemeanor. For an employee of a health care facility, gross misconduct also includes misconduct involving an act of patient or resident abuse as defined in section 626.557, subdivision 2, clause (d).*

If an individual is convicted of a felony or gross misdemeanor for the same act or acts of misconduct for which the individual was discharged, the misconduct is conclusively presumed to be gross misconduct if it was connected with his work.

(4) [LIMITED OR NO CHARGE OF BENEFITS.] Benefits paid subsequent to an individual's separation under any of the foregoing clauses, excepting clauses (2) (c) and (2) (e), shall not be used as a factor in determining the future contribution rate of the employer from whose employment such individual separated.

Benefits paid subsequent to an individual's failure, without good cause, to accept an offer of suitable re-employment shall not be used as a factor in determining the future contribution rate of the employer whose offer of re-employment he failed to

accept or whose offer of re-employment was refused solely due to the distance of the available work from his residence, the individual's own serious illness or his other employment at the time of the offer.

(5) An individual who was employed by an employer shall not be disqualified for benefits under this subdivision for any acts or omissions occurring after his separation from employment with the employer.

(6) [DISCIPLINARY SUSPENSIONS.] An individual shall be disqualified for waiting week credit and benefits for the duration of any disciplinary suspension of 30 days or less resulting from his own misconduct. Disciplinary suspensions of more than 30 days shall constitute a discharge from employment.

Sec. 26. Minnesota Statutes 1982, section 268.09, subdivision 2. is amended to read:

Subd. 2. [FAILURE TO APPLY FOR OR ACCEPT SUITABLE WORK OR RE-EMPLOYMENT.] An individual shall be disqualified for waiting week credit and benefits during the week of occurrence and until four calendar weeks have elapsed following his refusal or failure and he has earned four times his weekly benefit amount in insured work if the commissioner finds that he has failed, without good cause, either to apply for available, suitable work of which he was advised by the employment office, or the commissioner or to accept suitable work when offered him, or to return to his customary self-employment (if any) when so directed by the commissioner, or to accept (SUITABLE) *a base period employer's offer of re-employment (OFFERED BY A BASE PERIOD EMPLOYER) offering substantially the same or better hourly wages and conditions of work as were previously provided by that employer in his base period.*

(a) In determining whether or not any work is suitable for an individual, the commissioner shall consider the degree of risk involved to his health, safety, and morals, his physical fitness and prior training, his experience, his length of unemployment and prospects of securing local work in his customary occupation, and the distance of the available work from his residence.

(b) Notwithstanding any other provisions of section 268.03 to 268.24, no work shall be deemed suitable, and benefits shall not be denied thereunder to any otherwise eligible individual for refusing to accept new work under any of the following conditions:

(1) if the position offered is vacant due directly to a strike, lockout, or other labor dispute;

(2) if the wages, hours, or other conditions of the work offered are substantially less favorable to the individual than those prevailing for similar work in the locality;

(3) if as a condition of being employed the individual would be required to join a union or to resign from or refrain from joining any bona fide labor organization;

(4) if the individual is in training with the approval of the commissioner.

Sec. 27. Minnesota Statutes 1982, section 268.10, subdivision 2, is amended to read:

Subd. 2. [EXAMINATION OF CLAIMS; DETERMINATION; APPEAL.] (1) An official, designated by the commissioner, shall promptly examine each claim for benefits filed to establish a benefit year pursuant to this section, and, on the basis of the facts found, shall determine whether or not such claims are valid, and if valid, the weekly benefit amount payable, the maximum benefit amount payable during the benefit year, and the date the benefit year terminates, and this determination shall be known as the determination of validity. Notice of the determination of validity or any redetermination as provided for in clause (4) shall be promptly given the claimant and all other interested parties. If within the time limits for filing a protest an (INTERESTED PARTY) employer notifies the department that an individual's weekly benefit amount as determined under section 268.07 exceeds the individual's weekly wages (WHILE EMPLOYED BY THE INTERESTED PARTY, THE) earned with the employer, the individual's weekly benefit amount shall be the lesser of (THE AMOUNT DERIVED BY DIVIDING THE TOTAL BASE PERIOD WAGES EARNED IN ALL CREDIT WEEKS BY THE NUMBER OF BASE PERIOD CREDIT WEEKS COMPUTED TO THE NEAREST WHOLE DOLLAR OR THE AMOUNT AS COMPUTED UNDER SECTION 268.07) (1) the weekly benefit amount as determined under section 268.07, or (2) the weekly benefit amount which is 50 percent of the quotient derived by dividing the total wage credits earned in the individual's base period credit weeks from all employers in insured work by the number of base period credit weeks. If within the time specified for the filing of wage and separation information as provided in subdivision 1, clause (2), the employer makes an allegation of disqualification or raises an issue of the chargeability to his account of benefits that may be paid on such claim, if the claim is valid, the issue thereby raised shall be promptly determined by said official and a notification of the determination delivered or mailed to the claimant and the employer. If an initial determination or an appeal tribunal decision or the commissioner's decision awards benefits, the benefits shall be paid promptly regardless of the pendency of any appeal period or any appeal or other proceeding which may thereafter be taken. Except as provided in clause

(6), if an appeal tribunal decision modifies or reverses an initial determination awarding benefits, or if a commissioner's decision modifies or reverses an appeal decision awarding benefits, any benefits paid under the award of such initial determination or appeal tribunal decision shall be deemed erroneous payments.

(2) At any time within (15) 24 months from the date of the filing of a *valid* claim for benefits by an individual, an official of the department or any interested party or parties raises an issue of claimant's eligibility for benefits for any week or weeks in accordance with the requirements of the provisions of sections 268.03 to 268.24 or any official of the department or any interested party or parties or benefit year employer raises an issue of disqualification in accordance with the regulations of the commissioner, a determination shall be made thereon and a written notice thereof shall be given to the claimant and such other interested party or parties or benefit year employer. *A determination issued under this clause which denies benefits for weeks for which the claimant has previously been paid benefits is an overpayment of those benefits subject to section 268.18.*

(3) A determination issued pursuant to clauses (1) and (2) shall be final unless an appeal therefrom is filed by a claimant or employer within 15 days after the mailing of the notice of the determination to his last known address or personal delivery of the notice. Every notice of determination shall contain a prominent statement indicating in clear language the method of appealing the determination, the time within which such an appeal must be made, and the consequences of not appealing the determination. A timely appeal from a determination of validity in which the issue is whether an employing unit is an employer within the meaning of this chapter or whether services performed for an employer constitute employment within the meaning of this chapter shall be subject to the provisions of section 268.12, subdivision 13.

(4) At any time within (15) 24 months from the date of the filing of a *valid* claim for benefits by an individual, the commissioner on his own motion may reconsider a determination of validity made thereon and make a redetermination thereof if he finds that an error in computation or identity or the crediting of wage credits has occurred in connection therewith or if the determination was made as a result of a nondisclosure or misrepresentation of a material fact. *A determination or redetermination issued under this clause which denies benefits for weeks for which the claimant has previously been paid benefits is an overpayment of those benefits subject to section 268.18.*

(5) However, the commissioner may in his discretion refer any disputed claims directly to (THE APPEAL TRIBUNAL) *a referee* for hearing and determination in accordance with the procedure outlined in subdivision 3 and the effect and status

of such determination in such a case shall be the same as though the matter had been determined upon an appeal to the tribunal from an initial determination.

(6) If (AN APPEAL TRIBUNAL) *a referee's* decision affirms an initial determination awarding benefits or the commissioner affirms an appeal tribunal decision awarding benefits, the decision, if finally reversed, shall not result in a disqualification and benefits paid shall neither be deemed overpaid nor shall they be considered in determining any individual employer's future contribution rate under section 268.06.

Sec. 28. Minnesota Statutes 1982, section 268.10, subdivision 3, is amended to read:

Subd. 3. [APPEAL; HEARING.] Unless (SUCH) *an* appeal is withdrawn, the date for hearing before (AN APPEAL TRIBUNAL) *a referee* shall be set and notice of (SUCH) *the* hearing shall be mailed to the last known address of all interested parties at least ten days prior to the date set for (SUCH) *the* hearing. (SUCH) *The hearing may be conducted by means of a conference telephone call except that the appellant may request that the hearing be conducted in person. The* hearing shall be a trial de novo, and, upon the evidence presented, the (APPEAL TRIBUNAL) *referee* shall affirm, modify, or set aside the initial determination. (THE COMMISSIONER MAY, BY REGULATION, PROVIDE FOR THE TAKING OF EVIDENCE OR FOR THE ADMISSION OF SWORN STATEMENTS IN CASE ANY INTERESTED PARTY IS UNABLE TO BE PRESENT AT THE HEARING) *Where the same or substantially similar evidence is relevant and material to the issues in appeals by more than one individual or in appeals by one individual with respect to two or more weeks of unemployment, the appeals may be consolidated into one hearing. The referee shall exclude from any consolidated hearing the appeal of any individual who may be prejudiced because of the consolidation. A referee shall not hear any appeal in which the referee has a direct interest.* The parties shall be (DULY) notified of (SUCH TRIBUNAL'S) *the referee's* decision (, TOGETHER WITH ITS) *and the reason (THEREFOR,) for it. (WHICH SHALL BE) The referee's decision is* deemed to be the final decision unless a further appeal is initiated pursuant to subdivision 5.

Sec. 29. Minnesota Statutes 1982, section 268.10, subdivision 4, is amended to read:

Subd. 4. [(APPEAL TRIBUNALS ESTABLISHED) *REF-ERREES.*] In order to assure the prompt disposition of all claims for benefits, the commissioner shall (ESTABLISH) *appoint* one or more impartial (APPEAL TRIBUNALS CONSISTING OF A SALARIED EXAMINER WHO SHALL SERVE AS CHAIRMAN, AND TWO ADDITIONAL MEM-

BERS, ONE OF WHOM SHALL BE A REPRESENTATIVE OF EMPLOYERS AND THE OTHER OF WHOM SHALL BE A REPRESENTATIVE OF EMPLOYEES; EACH OF THE LATTER TWO MEMBERS SHALL SERVE AT THE PLEASURE OF THE COMMISSIONER AND BE PAID A FEE OF NOT MORE THAN \$35 PER DAY OF ACTIVE SERVICE ON SUCH TRIBUNAL PLUS NECESSARY EXPENSE) *referees*. The commissioner shall by (REGULATION PRESCRIBE THE) *rule adopt* a procedure by which (SUCH APPEAL TRIBUNALS SHALL) *referees* hear and decide disputed claims, subject to appeal to the commissioner. No person shall participate on behalf of the commissioner in any case in which (HE) *that person* is an interested party. The commissioner may designate alternates to serve in the absence or disqualification of (ANY MEMBER OF ANY APPEAL TRIBUNAL) *a referee*. (THE CHAIRMAN SHALL ACT ALONE IN THE ABSENCE OR DISQUALIFICATION OF ANY OTHER MEMBER AND HIS ALTERNATES. IN NO CASE SHALL A HEARING BEFORE AN APPEAL TRIBUNAL PROCEED UNLESS THE CHAIRMAN OF SUCH TRIBUNAL IS PRESENT.) There shall be no charges, fees, transcript costs, or other cost imposed upon the employee in prosecuting (HIS) *an* appeal. All decisions of (SUCH TRIBUNAL, COMPLETE AS TO THE NAMES OF MEMBERS OF SUCH TRIBUNAL,) *referees* shall be made available to the public in accordance with (SUCH REGULATIONS AS) *rules* the commissioner may prescribe, except that names of interested parties may be deleted.

Sec. 30. Minnesota Statutes 1982, section 268.10, subdivision 5, is amended to read:

Subd. 5. [REVIEW BY COMMISSIONER.] Within 30 days after mailing *or personal delivery* of the notice of (AN APPEAL TRIBUNAL) *a referee's* decision to the claimant or employer at (HIS) *the* last known address (OR PERSONAL DELIVERY THEREOF, ANY SUCH), *a* party may appeal from (SUCH) *the* decision and obtain a review (THEREOF) *of it* by the commissioner or (HIS DULY) *an* authorized representative (, AND). The commissioner within the same period of time may on (HIS) *the commissioner's* own motion order a review of (ANY SUCH) *a* decision. Upon review, the commissioner or (HIS DULY) authorized representative may affirm, modify, or set aside any finding of fact or decision, or both, of the (APPEAL TRIBUNAL) *referee* on the basis of the evidence previously submitted in (SUCH) *the* case, or remand (SUCH) *the* matter back to the (APPEAL TRIBUNAL) *referee* for the taking of additional evidence and new findings and decision based on all of the evidence before (IT) *the referee*. Notice of all hearings on review shall be given to all interested parties in the same manner as provided for by subdivision 3. The commissioner or (HIS) *authorized* representative may remove to himself *or herself* or transfer to another (APPEAL TRIBUNAL) *referee* the proceedings on any claim pending before (AN APPEAL TRIBUNAL) *a referee*. Any proceedings (SO) removed to the com-

missioner or (HIS) *authorized* representative shall be heard upon notice in accordance with the requirements of subdivision 3. The department of economic security shall mail to all interested parties a notice of the filing of and a copy of the findings and decision of the commissioner or his representative.

Sec. 31. Minnesota Statutes 1982, section 268.10, subdivision 6, is amended to read:

Subd. 6. [COMMISSIONER.] The manner in which disputed claims (SHALL BE) *are* presented, the reports (THEREON) required from the claimant and from employers, and the conduct of hearings and appeals shall be in accordance with the (REGULATIONS PRESCRIBED) *rules adopted* by the commissioner for determining the rights of the parties, whether or not (SUCH) *the* regulations conform to common law or statutory rules of evidence and other technical rules of procedure. A full and complete record shall be kept of all proceedings in connection with a disputed claim. All testimony at any hearing shall be (REDUCED TO WRITING) *recorded*, but need not be transcribed unless the disputed claim is further appealed.

Sec. 32. Minnesota Statutes 1982, section 268.10, subdivision 7, is amended to read:

Subd. 7. [SUBPOENAED.] Witnesses, *other than an interested party or officers and employees of an interested party*, subpoenaed pursuant to this section shall be allowed fees (AT A RATE FIXED BY THE COMMISSIONER) *the same as witness fees in a civil action in district court*. (SUCH) *These* fees shall be deemed a part of the expense of administering sections 268.03 to 268.24.

Sec. 33. Minnesota Statutes 1982, section 268.10, subdivision 9, is amended to read:

Subd. 9. [REPRESENTATION BY ATTORNEY.] In any proceeding under these sections before (AN APPEAL TRIBUNAL) *a referee* or the commissioner, a party may be represented by an agent or attorney, but no individual claiming benefits shall be charged fees of any kind in (ANY) *a* proceeding (THEREUNDER BY THE APPEAL TRIBUNAL) *before a referee*, the commissioner, (OR HIS) *commissioner's* representatives, or by any court or any officers thereof. Any individual claiming benefits in any proceedings before the commissioner or his representatives or a court may be represented by counsel or other duly authorized agent, except that said agent in any court proceedings under these sections, must be an attorney at law; but no (SUCH) counsel shall either charge or receive for (SUCH) *the* services more than an amount approved by the commissioner and no fees shall be collected from an individual claiming benefits by any agent unless he is an attorney at law.

Sec. 34. Minnesota Statutes 1982, section 268.11, subdivision 2, is amended to read:

Subd. 2. [APPLICATION FOR TERMINATION OF COVERAGE.] Except as otherwise provided in subdivision 3, any employing unit shall cease to be an employer subject to sections 268.03 to 268.24 as of the last day of the calendar quarter in which the employing unit files with the commissioner a written application for termination of coverage, if the commissioner finds the employment in the preceding calendar year and during the current calendar year, up to the last day of the calendar quarter in which the application was received, was not sufficient to make the employing unit liable under the provisions of section 268.04, subdivision 10. For the purpose of this subdivision the two or more employing units mentioned in section 268.04, subdivision 10, clause (2), (3), ((4), OR) (5), or (6), shall be treated as a single employing unit.

The commissioner shall waive the requirement for an application for termination of coverage whenever it shall appear that the employer was unable to comply with such requirement for the reason that, at the time when he had qualified for release from liability under the provisions of this chapter, he was in good faith not aware of the fact that he was an employer subject to the provisions of this chapter.

The commissioner at the commissioner's discretion may on his or her own motion terminate the coverage of any employer who no longer meets the definition of employer under section 268.04, subdivision 10.

Sec. 35. Minnesota Statutes 1982, section 268.11, subdivision 3, is amended to read:

Subd. 3. [ELECTION AGREEMENTS; TERMINATION POWERS OF COMMISSIONER.] (1) An employing unit, not otherwise subject to sections 268.03 to 268.24 as an employer, which files with the commissioner its written election to become an employer subject thereto for not less than two calendar years, shall, with the written approval of such election by the commissioner, become an employer subject hereto to the same extent as all other employers, as of the date stated in such approval and cease to be subject hereto as of the first day of January of any calendar year subsequent to such two calendar years, only, if at least 30 days prior to such first day of January, it has filed with the commissioner a written notice to that effect;

(2) Any employing unit for which services that do not constitute employment are performed, may file with the commissioner a written election that all such service performed by individuals in its employ in one or more distinct establishments or places of business shall be deemed to constitute employment for

all the purposes of sections 268.03 to 268.24 for not less than two calendar years. Upon the written approval of such election by the commissioner, such services shall be deemed to constitute employment subject to these sections from and after the date stated in such approval. Such services shall cease to be deemed employment subject hereto as of the first day of January of any calendar year subsequent to such two calendar years only if at least 30 days prior to such first day of January such employing unit has filed with the commissioner a written notice to that effect.

(3) The commissioner (IN HIS DISCRETION MAY ON HIS OWN MOTION) *must* terminate any election agreement under this subdivision upon 30 days notice to the employer, (AND HE MAY ALSO IN HIS DISCRETION AND ON HIS OWN MOTION TERMINATE THE COVERAGE OF ANY EMPLOYER WHO HAS HAD LESS THAN 20 WEEKS OF EMPLOYMENT IN A CALENDAR YEAR) *if the employer fails to pay all contributions due under section 268.06, subdivision 1, or reimburse the unemployment fund in accordance with section 268.06, subdivisions 25, 26, 27, and 28.*

Sec. 36. Minnesota Statutes 1982, section 268.12, subdivision 8, is amended to read:

Subd. 8. [RECORDS; REPORTS.] (1) Each employing unit shall keep true and accurate work records for such periods of time and containing such information as the commissioner may prescribe. Such records shall be open to inspection, audit, and verification, and be subject to being copied by any authorized representative of the commissioner at any reasonable time and as often as may be necessary. The commissioner, appeal referee, (CHAIRMAN OF AN APPEAL TRIBUNAL,) or any other duly authorized representative of the commissioner, may require from any employing unit any sworn or unsworn reports, with respect to persons employed by it, which the commissioner, appeal referee, (CHAIRMAN OF AN APPEAL TRIBUNAL,) or any other duly authorized representative of the commissioner deems necessary for the effective administration of sections 268.03 to 268.24, provided that quarterly contribution and wage report forms shall (BE MADE TO CORRESPOND WHEREVER POSSIBLE WITH THE REPORTS REQUIRED FROM EMPLOYERS UNDER THE FEDERAL INSURANCE CONTRIBUTIONS ACT, SO THAT SUCH STATE FORMS MAY BE PREPARED AS DUPLICATES OF SUCH FEDERAL FORMS, EXCEPT THAT NO EMPLOYER SHALL BE PERMITTED TO SUBMIT A DUPLICATE REPORT WHICH IS NOT THOROUGHLY LEGIBLE) *include the employee's name, social security number, and total wages paid to the employee.*

(2) The commissioner may cause to be made such summaries, compilations, photographs, duplications, or reproductions of any records, reports, or transcripts thereof as he may deem advis-

able for the effective and economical preservation of the information contained therein, and such summaries, compilations, photographs, duplications or reproductions, duly authenticated, shall be admissible in any proceeding under sections 268.03 to 268.24, if the original record or records would have been admissible therein. Notwithstanding any restrictions contained in section 16.02, except restrictions as to quantity, the commissioner is hereby authorized to duplicate, on equipment furnished by the federal government or purchased with funds furnished for that purpose by the federal government, records, reports, summaries, compilations, instructions, determinations, or any other written matter pertaining to the administration of the Minnesota Employment Services Law.

(3) Notwithstanding any inconsistent provisions elsewhere, the commissioner may provide for the destruction or disposition of any records, reports, transcripts, or reproductions thereof, or other papers in his custody, which are more than two years old, the preservation of which is no longer necessary for the establishment of contribution liability or benefit rights or for any purpose necessary to the proper administration of sections 268.03 to 268.24, including any required audit thereof, provided, that the commissioner may provide for the destruction or disposition of any record, report, or transcript, or other paper in his custody which has been photographed, duplicated, or reproduced in the manner provided in clause (2).

(4) Notwithstanding the provisions of the Minnesota State Archives Act the commissioner shall with the approval of the legislative auditor destroy all benefit checks and benefit check authorization cards that are more than two years old and no person shall make any demand, bring any suit or other proceeding to recover from the state of Minnesota any sum alleged to be due him on any claim for benefits after the expiration of two years from the date of filing such claim.

Sec. 37. Minnesota Statutes 1982, section 268.12, subdivision 9, is amended to read:

Subd. 9. [TESTIMONIAL POWERS.] (1) In the discharge of the duties imposed by sections 268.03 to 268.24, the commissioner, (THE CHAIRMAN OF THE APPEAL TRIBUNAL,) appeal referee, or any duly authorized representative of the commissioner, shall have power to administer oaths and affirmations, take depositions, certify to official acts, and issue subpoenas to compel the attendance of witnesses and the production of books, papers, correspondence, memoranda, and other records deemed necessary as evidence in connection with a disputed claim or the administration of these sections;

(2) Witnesses, *other than interested parties or officers and employees of an employing unit which is an interested party*, subpoenaed pursuant to this subdivision or sections 268.03 to 268.24,

shall be allowed fees (AT A FIXED RATE PRESCRIBED BY REGULATION BY THE COMMISSIONER) *the same as witness fees in civil actions in district court*, which fees need not be paid in advance of the time of giving of testimony, and such fees of witnesses so subpoenaed shall be deemed part of the expense of administering these sections;

(3) In case of contumacy by, or refusal to obey, a subpoena issued to any person, any court of this state within the jurisdiction of which the inquiry is carried on or within the jurisdiction of which such person guilty of contumacy or refusal to obey is found or resides or transacts business, upon application by the commissioner, (CHAIRMAN OF AN APPEAL TRIBUNAL,) or referee, or any duly authorized representative of the commissioner, shall have jurisdiction to issue to such person an order requiring such person to appear before the commissioner, the chairman of an appeal tribunal, referee, or any duly authorized representative of the commissioner, there to produce evidence if so ordered or there to give testimony relative to the matter under investigation or in question; and any failure to obey such order of the court may be punished by the court as a contempt thereof.

Sec. 38. Minnesota Statutes 1982, section 268.16, subdivision 2, is amended to read:

Subd. 2. [REPORTS; DELINQUENCIES; PENALTIES.]

(1) Any employer who knowingly fails to make and submit to the department of economic security any report of wages paid by or due from him for insured work in the manner and at the time such report is required by regulations prescribed by the commissioner shall pay to the department of economic security for the contingent account a penalty in the amount of one and one-half percent of contributions accrued during the period for which such report is required, for each month from and after such date until such report is properly made and submitted to the department of economic security. In no case shall the amount of the penalty imposed hereby be less than \$5 per month. The maximum penalty imposed hereby shall be \$25 or the amount determined at the rate of one and one-half percent per month, whichever is greater. Any employing unit which fails to make and submit to the commissioner any report, other than one of wages paid or payable for insured work, as and when required by the regulations of the commissioner, shall be subject to a penalty in the sum of \$10 payable to the department of economic security for the contingent account. All such penalties shall be in addition to interest and any other penalties provided for by sections 268.03 to 268.24 and shall be collected (BY CIVIL ACTION AS HEREINAFTER PROVIDED) *as provided by section 268.161.*

(2) If any employing unit required by sections 268.03 to 268.24 to make and submit contribution reports shall fail to do so

within the time prescribed by these sections or by regulations under the authority thereof, or shall make, wilfully or otherwise, an incorrect, false or fraudulent contribution report, he shall, on the written demand of the commissioner, make such contribution report, or corrected report, within ten days after the mailing of such written demand and at the same time pay the whole contribution, or additional contribution, due on the basis thereof. If such employer shall fail within that time to make such report, or corrected report, the commissioner shall make for him a report, or corrected report, from his own knowledge and from such information as he can obtain through testimony, or otherwise, and assess a contribution on the basis thereof, which contribution, plus penalties and interest which thereafter accrued (less any payments theretofore made) shall be paid within ten days after the commissioner has mailed to such employer a written notice of the amount thereof and demand for its payment. Any such contribution report or assessment made by the commissioner on account of the failure of the employer to make a report or corrected report shall be prima facie correct and valid, and the employer shall have the burden of establishing its incorrectness or invalidity in any action or proceeding in respect thereto. Whenever such delinquent employer shall file a report or corrected report, the commissioner may, if he finds it substantially correct, substitute it for the commissioner's report. (IF AN EMPLOYER HAS FAILED TO SUBMIT ANY REPORT OF WAGES PAID, OR HAS FILED AN INCORRECT REPORT, AND THE COMMISSIONER FINDS THAT SUCH NONCOMPLIANCE WITH THE TERMS OF SECTIONS 268.03 TO 268.24 WAS NOT WILFUL AND THAT SUCH EMPLOYER WAS FREE FROM FRAUDULENT INTENT, THE COMMISSIONER SHALL LIMIT THE CHARGE AGAINST SUCH EMPLOYER TO THE PERIOD OF THE YEAR IN WHICH SUCH CONDITION HAS BEEN FOUND TO EXIST AND FOR THE PRECEDING CALENDAR YEAR.)

Sec. 39. Minnesota Statutes 1982, section 268.161, subdivision 1, is amended to read:

Subdivision 1. [LIEN.] Any contributions or reimbursements due under sections 268.03 to 268.24 and interest and penalties imposed with respect thereto, shall become a lien upon all the property, (BOTH REAL AND PERSONAL, OF THE PERSON LIABLE THEREFOR,) within this state, *both real and personal, of the person liable therefor*, except his homestead, from and after the filing by the commissioner of a notice of lien in the office of the county recorder of the county in which the property is situated, or in the case of personal property belonging to an individual who is not a resident of this state, or which is a corporation, partnership, or other organization, in the office of the secretary of state.

The lien created under this section shall become effective with respect to personal property from and after the date of

filing by the commissioner of a notice of the lien describing the property to which the lien attaches in the office of the county recorder of the county in which the commissioner believes the property is located at the time the lien is filed, and with the secretary of state.

The lien imposed on personal property by this section, even though properly filed, shall not be valid as against a purchaser with respect to tangible personal property purchased at retail or as against the personal property listed as exempt in sections 550.37, 550.38 and 550.39.

The lien imposed by this section shall be enforceable by levy as authorized in subdivision 8 or by judgment lien foreclosure as authorized in chapter 550.

Sec. 40. Minnesota Statutes 1982, section 268.161, subdivision 4, is amended to read:

Subd. 4. [COLLECTION BY CIVIL ACTION.] (1) In addition to all other collection methods authorized, if, after due notice, any employer defaults in any payment of contributions or interest due thereon or penalties for failure to file returns and other reports as required by sections 268.03 to 268.24 or by any rule of the commissioner, the amount due (SHALL) *may* be collected by civil action in the name of the state of Minnesota, and any money recovered shall be credited to the funds provided for under those sections. Any employer adjudged in default shall pay the costs of the action. Civil actions brought under this section to collect contributions, interest due thereon, or penalties from an employer shall be heard by the court at the earliest possible date. No action for the collection of contributions or interest thereon shall be commenced more than (FOUR) *six* years after the contributions have been reported by the employer or determined by the commissioner to be due and payable. In any action, judgment shall be entered against any defendant in default for the relief demanded in the complaint without proof, together with costs and disbursements, upon the filing of an affidavit of default.

(2) Any employing unit which is not a resident of this state and which exercises the privilege of having one or more individuals perform service for it within this state, and any resident employing unit which exercises that privilege and thereafter removes from this state, shall be deemed thereby to appoint the secretary of state as its agent and attorney for the acceptance of process in any civil action under this subdivision. In instituting an action against any employing unit, the commissioner shall cause process or notice to be filed with the secretary of state, together with a payment of a fee of \$15 and that service shall be sufficient service upon the employing unit, and shall be of the same force and validity as if served upon it personally

within this state. The commissioner shall forthwith send notice of the service of process or notice, together with a copy thereof, by certified mail, return receipt requested, to the employing unit at its last known address. The return receipt, the commissioner's affidavit of compliance with the provisions of this section, and a copy of the notice of service shall be appended to the original of the process filed in the court in which the civil action is pending.

Sec. 41. Minnesota Statutes 1982, section 268.161, subdivision 5, is amended to read:

Subd. 5. [RIGHT OF SETOFF.] Upon certification by the commissioner to the commissioner of finance or to any state agency which disburses its own funds, that an employer has an uncontested delinquent contribution or reimbursement liability owed to the department, and that the state has purchased personal services, supplies, contract services, or property from said employer, the commissioner of finance or the state agency shall apply to the delinquent contribution or reimbursement liability funds sufficient to satisfy the unpaid liability from funds appropriated for payment of said obligation of the state or any of its agencies that are due and owing the employer. The credit shall not be made against any funds exempt under section 550.37 or those funds owed (THE) an individual employer who receives assistance under chapter 256 (OR 256B).

All funds, whether general or dedicated, shall be subject to setoff in the manner provided in this subdivision. Transfer of funds in payment of the obligations of the state or any of its agencies to an employer and any actions for the funds shall be had against the commissioner on the issue of the contribution or reimbursement liability. Nothing in this section shall be construed to limit the previously existing right of the state or any of its agencies to setoff.

Sec. 42. Minnesota Statutes 1982, section 268.161, subdivision 7, is amended to read:

Subd. 7. [CONFESSION OF JUDGMENT.] (a) Any contribution report or form that is required to be filed with the commissioner concerning contributions or reimbursements due, shall contain a written declaration that it is made under the penalties of section 268.18, subdivision 3 for wilfully making a false report and shall contain a confession of judgment for the amount of the contribution or reimbursement shown due thereon to the extent not timely paid together with any interest and penalty due under this chapter.

(b) The commissioner may, within (FOUR) six years after a report or form is filed, notwithstanding section 541.09, enter judgment on any confession of judgment contained in the contribution report or form after 20 days notice served upon the em-

ployer by mail at the address shown in the employer's report. The judgment shall be entered by the clerk of court of any county upon the filing of a photocopy or similar reproduction of that part of the contribution report or form containing the confession of judgment along with a statement of the commissioner or his agent that the contribution or reimbursement has not been paid.

Sec. 43. Minnesota Statutes 1982, section 268.161, subdivision 8, is amended to read:

Subd. 8. [LEVY.] (a) If any contribution or reimbursement payable to the department is not paid when due, the amount may be collected by the commissioner, his duly authorized representative, or by the sheriff of any county to whom the commissioner has issued his warrant, who may levy upon all property and rights of property of the person liable for the contribution or reimbursement, (except that which is exempt from execution pursuant to section 550.37), or *property on which there is a lien provided by subdivision 1 of this section*. The terms "contribution or reimbursement" shall include any penalty, interest, and costs. The term "levy" includes the power of distraint and seizure by any means. Before a levy is made or warrant issued, notice and demand for payment of the amount due shall be given to the person liable for the contribution or reimbursement at least ten days prior to the levy or issuing of a warrant.

(b) Upon the commissioner issuing a warrant, the sheriff shall proceed within 60 days to levy upon the rights to property of the employer within his county, except the homestead and household goods of the employer and property of the employer not liable to attachment, garnishment, or sale on any final process issued from any court under the provisions of section 550.37, and shall sell so much thereof as is required to satisfy the contribution, reimbursement, interest, and penalties, together with his costs. The sales shall, as to their manner, be governed by the law applicable to sales of like property on execution issued against property upon a judgment of a court of record. The proceeds of the sales, less the sheriff's costs, shall be turned over to the commissioner, who shall retain a part thereof as is required to satisfy the contribution, reimbursement, interest, penalties, and costs, and pay over any balance to the employer.

(c) If the commissioner has reason to believe that collection of the contribution or reimbursement is in jeopardy, notice and demand for immediate payment of the amount may be made by the commissioner. If the contribution or reimbursement is not paid, the commissioner may proceed to collect by levy or issue his warrant without regard to the ten day period provided herein.

(d) In making the execution of the levy and in collecting the contribution or reimbursement due, the commissioner shall have all of the powers provided in chapter 550 and in any other law for purposes of effecting an execution against property in

this state. The sale of property levied upon and the time and manner of redemption therefrom shall be as provided in chapter 550. The seal of the court, subscribed by the clerk, as provided in section 550.04, shall not be required. The levy for collection of contributions or reimbursements may be made whether or not the commissioner has commenced a legal action for collection of the amount.

(e) Where a jeopardy assessment or any other assessment has been made by the commissioner, the property seized for collection of the contribution or reimbursement shall not be sold until any determination of liability, rate or benefit charges has become final. No sale shall be made unless the contribution or reimbursement remain unpaid for a period of more than 30 days after the determination becomes final. Seized property may be sold at any time if:

(1) the employer consents in writing to the sale; or

(2) the commissioner determines that the property is perishable or may become greatly reduced in price or value by keeping, or that the property cannot be kept without great expense.

(f) Where a levy has been made to collect contributions or reimbursements pursuant to this subdivision and the property seized is properly included in a formal proceeding commenced under sections 524.3-401 to 524.3-505 and maintained under full supervision of the court, the property shall not be sold until the probate proceedings are completed or until the court so orders.

(g) The property seized shall be returned by the commissioner if the owner gives a surety bond equal to the appraised value of his interest in the property, as determined by the commissioner, or deposits with the commissioner security in a form and amount as he deems necessary to insure payment of the liability, but not more than twice the liability.

(h) Notwithstanding any other law to the contrary, if a levy or sale pursuant to this section would irreparably injure rights in property which the court determines to be superior to rights of the state in the property, the district court may grant an injunction to prohibit the enforcement of the levy or to prohibit the sale.

(i) Any person who fails or refuses to surrender without reasonable cause any property or rights to property subject to levy upon demand by the commissioner shall be personally liable to the department in an amount equal to the value of the property or rights not so surrendered, but not exceeding the amount of contribution or reimbursement for the collection of which the levy has been made. Any amount recovered under this subdivision shall be credited against the contribution or reimbursement

liability for the collection of which the levy was made. The term "person" includes an officer or employee of a corporation or a member or employee of a partnership who, as an officer, employee, or member is under a duty to surrender the property or rights to property or to discharge the obligation.

(j) Any action taken by the commissioner pursuant to this subdivision shall not constitute an election by the department to pursue a remedy to the exclusion of any other remedy.

(k) After the commissioner has seized the property of any person, that person may, upon giving 48 hours notice to the commissioner and to the court, bring a claim for equitable relief before the district court for the release of the property to the employer upon terms and conditions as the court may deem equitable.

(l) Any person in possession of (or obligated with respect to) property or rights to property subject to levy upon which a levy has been made who, upon demand by the commissioner, surrenders the property or rights to property or who pays a liability under this subdivision shall be discharged from any obligation or liability to the person liable for the payment of the delinquent contribution or reimbursement with respect to the property or rights to property so surrendered or paid.

(m) Notwithstanding any other provisions of law to the contrary, the notice of any levy authorized by this section may be served by certified or registered mail or by delivery by an employee or agent of the department of economic security.

(n) It shall be lawful for the commissioner to release the levy upon all or part of the property or rights to property levied upon if the commissioner determines that the release will facilitate the collection of the liability, but the release shall not operate to prevent any subsequent levy. If the commissioner determines that property has been wrongfully levied upon, it shall be lawful for the commissioner to return:

(1) the specific property levied upon, at any time; or

(2) an amount of money equal to the amount of money levied upon, at any time before the expiration of nine months from the date of levy.

(o) A levy by the commissioner made pursuant to the provisions of this section upon an employer's funds on deposit in a financial institution located in this state, shall have priority over any unexercised right of setoff of the financial institution to apply the levied funds toward the balance of an outstanding loan or loans owed by the employer to the financial institution. A claim by the financial institution that it exercised its right to

setoff prior to the levy by the commissioner must be substantiated by evidence of the date of the setoff, and shall be verified by the sworn statement of a responsible corporate officer of the financial institution. Furthermore, for purposes of determining the priority of any levy made under this section, the levy shall be treated as if it were an execution made pursuant to chapter 550.

Sec. 44. Minnesota Statutes 1982, section 268.18, subdivision 1, is amended to read:

Subdivision 1. [ERRONEOUS PAYMENTS.] Any claimant for benefits who, by reason of his own mistake or through the error of any individual engaged in the administration of sections 268.03 to 268.24 or because of a determination or redetermination issued pursuant to section 268.10, subdivision 2, has received any sum as benefits to which he was not entitled under these sections, shall promptly return such benefits in cash to the nearest office of the Minnesota department of economic security. If such claimant fails to return such benefits, the department of economic security shall, as soon as it discovers such erroneous payment, determine the amount thereof and notify said individual to return the same. Unless the claimant files a written appeal with the department of economic security within 15 days after the mailing of the notice of determination to his last known address or personal delivery of the notice, the determination shall become final. If the claimant files an appeal with the department in writing within the time aforesaid the matter shall be set for hearing before (AN APPEAL TRIBUNAL) a referee of the department and heard as other benefit matters are heard in accordance with section 268.10 with the same rights of review as outlined for benefit cases in that section. The commissioner of the department of economic security is hereby authorized to deduct from any future benefits payable to the claimant under these sections in either the current or any subsequent benefit year an amount equivalent to the overpayment determined or the overpayment may be collected without interest by civil action in the name of the commissioner. If a claimant has been overpaid benefits under the law of another state and that state certifies to the department the facts involved and that the individual is liable under its law to repay the benefits and requests the department to recover the overpayment, the commissioner is authorized to deduct from future benefits payable to the claimant in either the current or any subsequent benefit year an amount equivalent to the amount of overpayment determined by that state. *Benefits paid for weeks more than three years prior to the discovery of error are not erroneous payments.*

Sec. 45. Minnesota Statutes 1982, section 268.18, subdivision 2, is amended to read:

Subd. 2. [FRAUD.] Any claimant who files a claim for or receives benefits by knowingly and wilfully misrepresenting or misstating any material fact or by knowingly and wilfully failing to disclose any material fact which would make him ineligible for benefits under sections 268.03 to 268.24 is guilty of fraud. After the discovery of facts by the commissioner indicating fraud in claiming or obtaining benefits under sections 268.03 to 268.24, he is hereby authorized to make a determination that the claimant was ineligible for each week with reference to which benefits were claimed or obtained by fraud for the amount as was in excess of what the claimant would have been entitled to had he not made the fraudulent statements or failed to disclose any material facts. The commissioner also may disqualify an individual from benefits for one to 52 weeks in which the claimant is otherwise eligible for benefits following the week in which the fraud was determined. A disqualification imposed for fraud shall not be removed by subsequent insured work or the expiration of a benefit year but shall not apply to any week more than 104 weeks after the week in which the fraud was determined. (SAID) *The* claimant shall (WITHIN 20 DAYS FROM THE DATE OF MAILING THE NOTICE OF SAID DETERMINATION TO HIM) *promptly* repay in cash to the department of economic security any benefits (SO) fraudulently obtained. Unless the claimant files a written appeal with the department of economic security within 15 days after the mailing of the notice of determination to his last known address or personal delivery of the notice. The determination shall become final. If the claimant (SHALL APPEAL) *appeals* from (SUCH) *the* determination within the time above specified (SAID) *the* matter shall be referred to (AN APPEAL TRIBUNAL) *a referee* for a hearing as in other benefit cases and thereafter the procedure for review shall be the same as set forth in section 268.10. The commissioner is hereby authorized to deduct from future benefits payable to the claimant in either the current or any subsequent benefit year an amount equivalent to the amount of overpayment determined or the overpayment may be collected without interest by civil action in the name of the commissioner. If a claimant has been overpaid benefits under the law of another state and that state certifies to the department the facts involved and that the individual is liable to repay the benefits and requests the department to recover the overpayment, the commissioner is authorized to deduct from future benefits payable to the claimant in either the current or any subsequent benefit year an amount equivalent to the amount of overpayment determined by that state. *A determination of fraud may be made at any time.*

Sec. 46. [PERSONNEL NAME CHANGE.]

Those individuals serving as salaried examiners of an appeal tribunal shall be referees as of the effective date of section 29 without change in the terms and conditions of their employment. They have the same authority to decide matters pending before them as did an appeal tribunal chairman.

Sec. 47. [REPEALER.]

Minnesota Statutes 1982, section 268.06, subdivision 32 is repealed.

Sec. 48. [EFFECTIVE DATE.]

Section 19 is effective retroactively to July 4, 1982. Section 18 is effective retroactively to October 1, 1982. Any wage credits disallowed for benefit purposes due to the operation of the stricken clause (4) shall be reinstated and eligibility for regular benefits shall be extended from October 1, 1982, until the claimant is reemployed or the final approval of this act whichever is earlier. Section 2 is effective retroactively to January 1, 1983. Sections 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 14, 15, 16, 17, 20, 21, 22, 23, 24, 25, 26, 27, 31, 34, 35, 38, 39, 40, 41, 42, 43, and 47 are effective the day following final enactment. Sections 1, 13, 28, 29, 30, 32, 33, 36, 37, 44, 45, and 46 are effective August 1, 1983."

Delete the title and insert:

"A bill for an act relating to unemployment compensation; providing for conformity with federal law; imposing an annual surcharge on employers' calendar year contributions for the purpose of repayment of interest charged on federal loans; creating the emergency interest repayment fund; adding a category to the extension of base period in the definition of base period; updating the law to reflect current practice; making technical changes; removing obsolete language; regulating administrative practices; providing for the effect of back pay awards; regulating benefit amounts, contributions, and benefit eligibility; amending Minnesota Statutes 1982, sections 268.04, subdivisions 2, 12, 17, 25, 26, 29, and by adding a subdivision; 268.05, subdivision 5; 268.06, subdivisions 1, 2, 3a, 5, 20, 28, and 29; 268.07, subdivisions 2 and 3; 268.071, subdivision 3; 268.08, subdivisions 1, 3, 6, and by adding subdivisions; 268.09, subdivisions 1 and 2; 268.10, subdivisions 2, 3, 4, 5, 6, 7, and 9; 268.11, subdivisions 2 and 3; 268.12, subdivisions 8 and 9; 268.16, subdivision 2; 268.161, subdivisions 1, 4, 5, 7, and 8; 268.18, subdivisions 1 and 2; proposing new law coded in Minnesota Statutes, chapter 268; repealing Minnesota Statutes 1982, section 268.06, subdivision 32."

The motion prevailed and the amendment was adopted.

Riveness moved to amend S. F. No. 1011, as amended, as follows:

Page 30, line 14, before "The" insert "All money in"

Page 30, line 15, delete "shall be used only" and insert "is appropriated to the commissioner"

Page 30, line 17, after "Act" insert ", and shall not be used for any other obligation of the state" and delete "moneys" and insert "money"

Page 30, line 21, after "interest" insert "or net income"

Page 30, line 22, delete "these funds" and insert "money in the fund"

Page 32, line 16, after "of" insert "clauses (1) and (2) of"

Page 39, after line 16, insert:

"Sec. 25. [268.081] [SHARED WORK PLAN.]

The commissioner shall prepare a report on the implementation of a shared work benefit program. The report shall be given to the senate committee on employment and the house committee on governmental operations no later than January 15, 1984. The report shall evaluate existing state laws establishing shared work programs and shall contain recommendations for statutory changes to implement a program in Minnesota."

Renumber remaining sections and correct internal cross-references

Page 47, line 14, delete "any" and insert "an"

Further, amend the title as follows:

Page 66, line 13 of the title, after the semicolon, insert "requiring a report to the legislature on shared work benefits; appropriating money;"

The motion prevailed and the amendment was adopted.

Anderson, G., moved to amend S. F. No. 1011, as amended, as follows:

Page 29, line 30, delete "year of" and insert "years"

Page 29, line 30, delete "for each calendar year" and insert "1983"

Page 29, line 31, delete "thereafter"

Page 29, line 34, delete "for each taxable year thereafter" and insert ", 1984"

Page 29, line 35, delete "by"

Page 29, line 36, delete "the 31st day of August each taxable year thereafter" and insert "the surcharge for taxable year 1983 shall be paid no later than August 31, 1984"

Page 30, line 25, delete "each"

Page 30, line 25, delete "thereafter" and insert ", 1985,"

A roll call was requested and properly seconded.

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

Those who voted in the affirmative were:

Anderson, G.	Findlay	Johnson	Piepho	Solberg
Anderson, R.	Fjoslien	Kalis	Quinn	Stadum
Bennett	Forsythe	Knickerbocker	Quist	Sviggum
Bergstrom	Frerichs	Krueger	Redalen	Thiede
Bishop	Graba	Kvam	Reif	Uphus
Blatz	Gruenes	Levi	Rodosovich	Valan
Brinkman	Gustafson	Ludeman	Rodriguez, C.	Valento
Burger	Halberg	Mann	Rose	Vellenga
Carlson, D.	Haukoos	Marsh	St. Onge	Waltman
Carlson, L.	Hcap	McDonald	Schafer	Weich
Clawson	Heinitz	McEachern	Scheid	Welker
Cohen	Himle	McKasy	Schoenfeld	Welle
Dempsey	Hoberg	Neuenschwander	Schreiber	Wenzel
DenOuden	Hoffman	Ogren	Seaberg	Wigley
Dimler	Hokr	Olsen	Shaver	Zaffke
Elioff	Jacobs	Omann	Shea	
Erickson	Jennings	Onnen	Sherman	
Evans	Jensen	Pauly	Simoneau	

Those who voted in the negative were:

Battaglia	Ellingson	Minne	Rice	Tomlinson
Beard	Greenfield	Murphy	Riveness	Tunheim
Begich	Kahn	Nelson, D.	Rodriguez, F.	Vanasek
Berkelman	Kelly	Norton	Sarna	Voss
Brandl	Knuth	O'Connor	Segal	Wynia
Clark, J.	Kostohryz	Osthoff	Skoglund	Speaker Sieben
Clark, K.	Larsen	Otis	Sparby	
Coleman	Long	Piper	Staten	
Eken	Metzen	Price	Swanson	

The motion prevailed and the amendment was adopted.

CALL OF THE HOUSE

On the motion of Eken and on the demand of 10 members, a call of the House was ordered. The following members answered to their names:

Anderson, G.	Begich	Blatz	Carlson, D.	Coleman
Anderson, R.	Bennett	Brandl	Carlson, L.	Dempsey
Battaglia	Bergstrom	Brinkman	Clark, K.	Dimler
Beard	Bishop	Burger	Cohen	Eken

Elioff	Johnson	Murphy	Riveness	Staten
Ellingson	Kahn	Nelson, D.	Rodosovich	Svigggum
Erickson	Kalis	Neuenschwander	Rodriguez, C.	Thiede
Evans	Kelly	Norton	Rodriguez, F.	Tomlinson
Findlay	Knickerbocker	O'Connor	Rose	Uphus
Fjoslien	Knuth	Ogren	St. Onge	Valan
Forsythe	Krueger	Olsen	Sarna	Valento
Graba	Kvam	Omann	Schafer	Vanasek
Gruenes	Larsen	Osthoff	Scheid	Vellenga
Gustafson	Levi	Otis	Schoenfeld	Voss
Gutknecht	Long	Pauly	Seaberg	Waltman
Halberg	Ludeman	Peterson	Segal	Welch
Haukoos	Mann	Piepho	Shaver	Welker
Heap	Marsh	Piper	Shea	Welle
Himle	McDonald	Quinn	Sherman	Wenzel
Hoberg	McEachern	Quist	Simoneau	Wigley
Jacobs	McKasy	Redalen	Skoglund	Wynia
Jennings	Metzen	Reif	Solberg	Zaffke
Jensen	Minne	Rice	Stadum	

Eken 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 its was so ordered.

Stadum moved to amend S. F. No. 1011, as amended, as follows:

Page 18, line 15, strike "30" and insert "50"

A roll call was requested and properly seconded.

The question was taken on the amendment and the roll was called.

Eken moved that those not voting be excused from voting. The motion prevailed.

There were 55 yeas and 71 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Findlay	Hokr	Omann	Sherman
Bennett	Fjoslien	Jennings	Pauly	Stadum
Bishop	Forsythe	Johnson	Piepho	Svigggum
Blatz	Frerichs	Knickerbocker	Quist	Thiede
Burger	Gruenes	Kvam	Redalen	Uphus
Carlson, D.	Gutknecht	Levi	Reif	Valan
Dempsey	Halberg	Ludeman	Rose	Valento
DenOuden	Haukoos	Marsh	Schafer	Waltman
Dimler	Heap	McDonald	Schreiber	Welker
Erickson	Himle	McKasy	Seaberg	Wigley
Evans	Hoberg	Olsen	Shaver	Zaffke

Those who voted in the negative were:

Anderson, G.	Bergstrom	Clark, J.	Coleman	Graba
Battaglia	Brandl	Clark, K.	Eken	Gustafson
Beard	Brinkman	Clawson	Elioff	Hoffman
Begich	Carlson, L.	Cohen	Ellingson	Jacoba

Jensen	Metzen	Peterson	Scheid	Vellenga
Kahn	Minne	Piper	Schoenfeld	Voss
Kalis	Munger	Price	Segal	Welch
Kelly	Murphy	Quinn	Simoneau	Welle
Knuth	Nelson, D.	Rice	Skoglund	Wenzel
Kostohryz	Neuenschwander	Riveness	Solberg	Wynia
Krueger	Norton	Rodosovich	Sparby	Speaker Sieben
Larsen	O'Connor	Rodriguez, C.	Staten	
Long	Ogren	Rodriguez, F.	Swanson	
Mann	Osthoff	St. Onge	Tomlinson	
McEachern	Otis	Sarna	Tunheim	

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

Stadum moved to amend S. F. No. 1011, as amended, as follows:

Page 43, after line 36, insert "(c) *In the case of any individual who has received benefits for 30 weeks or more during the immediately preceding 36 months, work shall be conclusively deemed suitable if the degree of risk involved to health, safety and morals is no greater than that commonly encountered by other workers in the job market area; if the individual by his physical fitness, prior training or experience is capable of performing the work; and if the individual does not have a job. In no case shall the Department determine that a job is unsuitable for an individual, or that an individual may elect to decline the offer of employment and continue to receive benefits on the basis that another individual might be better suited to the position.*"

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

Stadum moved to amend S. F. No. 1011, as amended, as follows:

Page 66, after line 7, insert a section to read:

"Sec. 47 [EXPANSIBLE WAITING PERIOD.]

Notwithstanding any other law to the contrary, the waiting periods for an individual seeking benefits pursuant to chapter 268 shall vary depending upon the relationship between that individual's base period wages and the statewide average weekly wage as follows:

(1) *less than one and one-quarter times the statewide average weekly wage, one week,*

(2) *less than one and one-half but greater than one and one-quarter times the statewide average weekly wage, two weeks,*

(3) less than one and three-quarters but greater than one and one-half times the statewide average weekly wage, four weeks,

(4) less than two but greater than one and three-quarters times the statewide average weekly wage, six weeks,

(5) less than three but greater than two times the statewide average weekly wage, eight weeks,

(6) less than five but greater than three times the statewide average weekly wage, ten weeks,

(7) less than eight but greater than five times the statewide average weekly wage, twelve weeks,

(8) less than twelve but greater than eight times the statewide average weekly wage, fifteen weeks,

(9) less than twenty but greater than twelve times the statewide average weekly wage, twenty weeks,

(10) over twenty times the statewide average weekly wage, twenty-six weeks.

In cases subject to this section, the waiting week or weeks shall be non-compensible."

A roll call was requested and properly seconded.

The question was taken on the amendment and the roll was called.

Eken moved that those not voting be excused from voting. The motion prevailed.

There were 52 yeas and 73 nays as follows:

Those who voted in the affirmative were:

Bennett	Fjoslien	Hokr	Piepho	Thiede
Bishop	Forsythe	Jennings	Quist	Uphus
Blatz	Frerichs	Johnson	Redalen	Valan
Burger	Gruenes	Kvam	Reif	Valento
Carlson, D.	Gutknecht	Ludeman	Rose	Waltman
Dempsey	Halberg	Marsh	Schafer	Welker
DenOuden	Haukoos	McDonald	Schreiber	Wigley
Dimler	Heap	McKasy	Scaberg	Zafike
Erickson	Heinitz	Olsen	Sherman	
Evans	Himle	Omann	Stadum	
Findlay	Hoberg	Pauly	Sviggun	

Those who voted in the negative were:

Anderson, R.	Ellingson	Long	Piper	Sparby
Battaglia	Graba	Mann	Price	Staten
Beard	Greenfield	McEachern	Quinn	Swanson
Begich	Gustafson	Metzen	Rivness	Tomlinson
Bergstrom	Hoffman	Minne	Redosovich	Tunheim
Brandl	Jacobs	Munger	Rodriguez, F.	Vanasek
Brinkman	Jensen	Murphy	St. Onge	Vellenga
Carlson, L.	Kahn	Nelson, K.	Sarna	Voss
Clark, J.	Kalis	Neuenschwander	Scheid	Welch
Clark, K.	Kelly	Norton	Schoenfeld	Welle
Clawson	Knickerbocker	O'Connor	Segal	Wenzel
Cohen	Knuth	Ogren	Shea	Wynia
Coleman	Kostohryz	Osthoff	Simoneau	Speaker Sieben
Eken	Krueger	Otis	Skoglund	
Elioff	Larsen	Peterson	Solberg	

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

Stadum moved to amend S. F. No. 1011, as amended, as follows:

Page 35, after line 17, insert:

"(5) The commissioner shall provide each claimant with a carbonized form for reporting job search contacts. The form must have blanks for the following information: (a) the address and phone number of the business at which the individual applied; (b) the position applied for; and (c) the contact person at the business. The form shall be used for each job search. The business contact person shall complete the form, sign it, and retain the original copy. The claimant must retain copies of the forms and return them to the employment office at the next report. If a claimant is permitted to make a telephone job search, the claimant shall mail the form, along with a self-addressed envelope, to the business contact who shall complete the form as above, retain the original, and mail a copy back to the claimant. The commissioner shall conduct random and periodic audits of the information reported on the forms to verify that it is true.

The commissioner is not required to provide forms to claimants and clause (5) shall not apply if the claimant's county search area has an unemployment rate of 12 percent or more."

A roll call was requested and properly seconded.

The question was taken on the amendment and the roll was called.

Vanasek moved that those not voting be excused from voting. The motion prevailed.

There were 50 yeas and 72 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Evans	Heinitz	McKasy	Stadum
Bennett	Findlay	Himle	Omamn	Sviggum.
Bishop	Fjoslien	Hoberg	Piepho	Thiede
Blatz	Forsythe	Jennings	Quist	Uphus
Burger	Frerichs	Johnson	Redalen	Valan
Carlson, D.	Gruenes	Knickerbocker	Reif	Valento
Dempsay	Gutknecht	Kvam	Schafer	Waltman
DenOuden	Halberg	Ludeman	Schreiber	Welker
Dimler	Haukoos	Marsh	Shaver	Wigley.
Erickson	Heap	McDonald	Sherman	Zaffke.

Those who voted in the negative were:

Battaglia	Graba	Metzen	Price	Solberg
Beard	Greenfield	Minne	Rice	Sparby
Begich	Gustafson	Munger	Riveness	Staten
Bergstrom	Hoffman	Murphy	Rodosovich	Swanson
Brandl	Jacobs	Nelson, D.	Rodriguez, C.	Tomlinson
Brinkman	Jensen	Neuenschwander	Rodriguez, F.	Tunheim
Carlson, L.	Kahn	Norton	St. Onge	Vanasek
Clark, J.	Kalis	O'Connor	Sarna	Welch
Clark, K.	Kelly	Ogren	Scheid	Welle
Clawson	Kostohryz	Olsen	Schoenfeld	Wenzel
Cohen	Krueger	Osthoff	Seaberg	Wynia
Coleman	Larsen	Otis	Segal	Speaker Sieben
Eken	Long	Pauly	Shea	
Elioff	Mann	Peterson	Simoneau	
Ellingson	McEachern	Piper	Skoglund	

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

Stadum moved to amend S. F. No. 1011, as amended, as follows:

Page 66, after line 7, insert a section to read:

"Sec. 47 [MULTIPLE CLAIM LIMITATION.]

Notwithstanding any other law to the contrary, the maximum benefit amount of individuals who file more than one claim for compensation under chapter 268 during a single benefit year shall be decreased as follows:

(1) *For the second claim filed within a single benefit year, the maximum benefit shall be 80 percent of the amount otherwise applicable;*

(2) *For the third claim filed within a single benefit year, the maximum benefit shall be 60 percent of the amount otherwise applicable;*

(3) *For the fourth and subsequent claims filed within a single benefit year, the maximum benefit shall be 50 percent of the amount otherwise applicable."*

A roll call was requested and properly seconded.

The question was taken on the amendment and the roll was called.

Vanasek moved that those not voting be excused from voting. The motion prevailed.

There were 45 yeas and 77 nays as follows:

Those who voted in the affirmative were:

Bishop	Fjoslien	Hokr	Olsen	Sherman
Burger	Forsythe	Jennings	Pauly	Stadum
Carlson, D.	Frerichs	Johnson	Piepho	Thiede
Dempsey	Gutknecht	Knickerbocker	Quist	Uphus
DenOuden	Halberg	Kvam	Redalen	Valan
Dimler	Haukoos	Levi	Schafer	Valento
Erickson	Heinitz	Ludeman	Schreiber	Waltman
Evans	Himle	McDonald	Seaberg	Welker
Findlay	Hoberg	McKasy	Shaver	Wigley

Those who voted in the negative were:

Anderson, G.	Elioff	Mann	Piper	Sparby
Anderson, R.	Ellingson	Marsh	Price	Staten
Battaglia	Graba	McEachern	Rice	Sviggum
Beard	Greenfield	Metzen	Riveness	Swanson
Begich	Gustafson	Minne	Rodosovich	Tomlinson
Bergstrom	Hoffman	Munger	Rodriguez, C.	Tunheim
Blatz	Jacobs	Murphy	Rodriguez, F.	Vanasek
Brandl	Jensen	Nelson, D.	St. Onge	Vellenga
Brinkman	Kahn	Nelson, K.	Sarna	Welch
Carlson, L.	Kalis	Neuenschwander	Scheid	Welle
Clark, J.	Kelly	Norton	Schoenfeld	Wenzel
Clark, K.	Knuth	O'Connor	Segal	Wynia
Clawson	Kostohryz	Ogren	Shea	Speaker Sieben
Cohen	Krueger	Osthoff	Simoneau	
Coleman	Larsen	Otis	Skoglund	
Eken	Long	Peterson	Solberg	

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

Stadum moved to amend S. F. No. 1011, as amended, as follows:

Page 39, after line 16, insert:

"Section 25. [268.073] [SHARED UNEMPLOYMENT PLAN.]

Subdivision 1. [QUALIFIED PLANS.] Notwithstanding any other law, for the purposes of this section an individual is "unemployed" in any week if: (a) the individual works less than his or her normal weekly hours of work for the individual's regular employer; and (b) the regular employer has reduced or

restricted the individual's normal hours of work or has rehired an individual previously laid off and reduced that individual's normal hours of work from those previously worked, as the result of a plan by the regular employer. Normal weekly hours of work means the number of hours in a week that the employee normally would work for the regular employer or 40 hours, whichever is less. The plan of the employer must, in lieu of lay-off, reduce employment and stabilize the work force by a program of sharing work after a reduction in total hours of work and wages of at least ten percent has occurred. The plan must involve the participation of at least two employees and include not less than ten percent of the employer's regular permanent work force involved in the affected work unit or units in each week, or in at least one week of a two-consecutive-week period. A plan must be approved by the commissioner before an employee may receive benefits under this section. A plan approved by the commissioner shall expire six months after the effective date of the plan. A new plan shall not be approved during the 26-week period beginning with the expiration of a previously approved plan except when the previous plan expires during any quarter in which the average seasonally adjusted civilian unemployment rate in this state during the first three of the four months immediately preceding the beginning of the calendar quarter equals or exceeds five percent.

Subd. 2. [BENEFIT AMOUNT.] Except as otherwise provided in this section, each individual eligible under this section who is unemployed in any week shall be paid with respect to that week a weekly shared work unemployment compensation benefit amount equal to the percentage of reduction of the individual's wages resulting from an approved plan, rounded to the nearest five percent, multiplied by the individual's weekly benefit amount which would be payable if the individual was unemployed and this section did not apply.

The benefit payment, if not a multiple of \$1, shall be increased to the next higher multiple of \$1.

Subd. 3. [BENEFIT EXCLUDES OTHER PARTIAL UNEMPLOYMENT BENEFIT.] An individual who receives benefits under this section during any benefit year shall not receive any other unemployment benefits pursuant to chapter 268 as a partially unemployed individual with respect to any week during that benefit year while in employment status with the regular employer who initiated the program of sharing work under this section. No benefits under this section shall be payable on any type of extended claim.

Subd. 4. [BENEFIT OFFSETS.] Any amount payable under this section shall be reduced by the amount of compensation payable to the individual for personal services whether performed as an employee, an independent contractor, as a juror, or

as a witness, except compensation payable by the regular employer under a shared work plan.

Subd. 5. [CERTAIN BENEFIT QUALIFICATIONS REQUIREMENTS EXCLUDED.] For the purposes of this section an individual is able to work and is available for work if:

(1) *The individual has not been absent from work without the approval of the regular employer; and*

(2) *The individual accepted all work the regular employer made available to the individual during hours scheduled off due to the worksharing plan.*

Subd. 6. [APPLICATION OF RULES AND STATUTES.] Except as otherwise provided by or inconsistent with this section, all provisions of sections 268.03 to 268.24 and rules adopted pursuant to those sections apply to benefits under this section. Rules may, to the extent permitted by federal law, make distinctions and requirements necessary to carry out the purposes of this section, including rules defining normal hours, days, workweek, and wages.

Subd. 7. [WRITTEN ACCEPTANCE OF PLAN.] Employees shall not be eligible to receive any benefits under this section unless their employer agrees, in writing, to voluntarily participate in the shared work unemployment insurance benefit program created by this section.

Subd. 8. [TERMINATION OF PLAN.] The commissioner may terminate a shared work plan for good cause if the plan is not being carried out according to its terms and intent.

Subd. 9. [CONTRIBUTIONS, CREATION OF SHARED WORK UNEMPLOYMENT BENEFIT FUND.] All benefits payable under this section shall be paid from the Shared Work Unemployment Benefit Fund, which is hereby created in the State Treasury. Each month the Department shall collect from the regular employer, in addition to any other contributions required by this Act, an amount equal to all benefits paid pursuant to this section to his employees in the previous month. All amounts collected pursuant to this section shall be deposited into the Shared Work Unemployment Benefit Fund. No benefits may be paid under this section to any employee of an employer who is more than two months delinquent in payments required by this section.

Subd. 10. [TERMINATION OF SECTION.] Subdivisions 1 to 9 are repealed effective December 31, 1986, and no benefits shall be paid under those sections for a day of unemployment occurring after December 31, 1986.

Sec. 2. [EFFECTIVE DATE.] *Section 1 is effective October 1, 1983.*"

A roll call was requested and properly seconded.

The question was taken on the amendment and the roll was called.

Minne moved that those not voting be excused from voting. The motion prevailed.

There were 58 yeas and 68 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Findlay	Jennings	Pauly	Stadum
Bennett	Fjoslien	Johnson	Piepho	Svigum
Bishop	Forsythe	Knickerbocker	Quist	Thiede
Blatz	Frerichs	Krueger	Redalen	Uphus
Brandl	Gruenes	Kvam	Reif	Valan
Burger	Gutknecht	Levi	Rodriguez, C.	Valento
Carlson, D.	Halberg	Ludeman	Schafer	Waltman
Dempsey	Haukoos	Marsh	Schoenfeld	Welker
DenOuden	Heinitz	McDonald	Schreiber	Wigley
Dimler	Himle	McKasy	Seaberg	Zaffke
Erickson	Hoberg	Olsen	Shaver	
Evans	Hokr	Omann	Sherman	

Those who voted in the negative were:

Anderson, G.	Graba	McEachern	Piper	Sparby
Battaglia	Greenfield	Metzen	Price	Staten
Beard	Gustafson	Minne	Quinn	Swanson
Begich	Hoffman	Munger	Rice	Tomlinson
Brinkman	Jacobs	Murphy	Riveness	Tunheim
Carlson, L.	Jensen	Nelson, D.	Rodosovich	Vanasek
Clark, J.	Kahn	Nelson, K.	Rodriguez, F.	Vellenga
Clark, K.	Kalis	Neuenschwander	St. Onge	Voss
Clawson	Kelly	Norton	Sarna	Welle
Cohen	Knuth	O'Connor	Scheid	Wenzel
Coleman	Kostohryz	Ogren	Segal	Wynia
Eken	Larsen	Osthoff	Simoneau	Speaker Sieben
Elioff	Long	Otis	Skoglund	
Ellingson	Mann	Peterson	Solberg	

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

Himle moved to amend S. F. No. 1011, as amended, as follows:

Page 35, line 30, strike “; provided any such payment” and insert a comma

Page 35, strike all of line 31

Page 35, line 32, strike “of work but not to exceed 28 calendar days;”

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

Ludeman moved to amend S. F. No. 1011, as amended, as follows:

Page 29, line 29, delete "10" and insert "6"

Page 66, after line 1, insert:

"Sec. 46. Minnesota Statutes 1982, section 290.01, subdivision 20b, as amended by Laws 1982, Third Special Session chapter 1, article V, section 2, is amended to read:

Subd. 20b. [MODIFICATIONS REDUCING FEDERAL ADJUSTED GROSS INCOME.] There shall be subtracted from federal adjusted gross income:

(1) Interest income on obligations of any authority, commission or instrumentality of the United States to the extent includible in gross income for federal income tax purposes but exempt from state income tax under the laws of the United States;

(2) The portion of any gain, from the sale or other disposition of property having a higher adjusted basis for Minnesota income tax purposes than for federal income tax purposes, that does not exceed such difference in basis; but if such gain is considered a long-term capital gain for federal income tax purposes, the modification shall be limited to 40 per centum of the portion of the gain. This modification shall not be applicable if the difference in basis is due to disallowance of depreciation pursuant to section 290.101.

(3) Income from the performance of personal or professional services which is subject to the reciprocity exclusion contained in section 290.081, clause (a);

(4) Losses, not otherwise reducing federal adjusted gross income assignable to Minnesota, arising from events or transactions which are assignable to Minnesota under the provisions of sections 290.17 to 290.20, including any capital loss or net operating loss carryforwards or carrybacks or out of state loss carryforwards resulting from the losses, and including any farm loss carryforwards or carrybacks;

(5) If included in federal adjusted gross income, the amount of any credit received, whether received as a refund or credit to another taxable year's income tax liability, pursuant to chapter 290A, and the amount of any overpayment of income tax to Minnesota, or any other state, for any previous taxable year, whether the amount is received as a refund or credited to another taxable year's income tax liability;

(6) To the extent included in federal adjusted gross income, or the amount reflected as the ordinary income portion of a lump sum distribution under section 402(e) of the Internal Revenue Code of 1954, notwithstanding any other law to the contrary, the amount received by any person (i) from the United States, its agencies or instrumentalities, the Federal Reserve Bank or from the state of Minnesota or any of its political or governmental subdivisions or from any other state or its political or governmental subdivisions, or a Minnesota volunteer firefighter's relief association, by way of payment as a pension, public employee retirement benefit, or any combination thereof, or (ii) as a retirement or survivor's benefit made from a plan qualifying under section 401, 403, 404, 405, 408, 409 or 409A of the Internal Revenue Code of 1954. The maximum amount of this subtraction shall be \$11,000 less the amount by which the individual's federal adjusted gross income, plus the ordinary income portion of a lump sum distribution as defined in section 402(e) of the Internal Revenue Code of 1954, exceeds \$17,000. In the case of a volunteer firefighter who receives an involuntary lump sum distribution of his pension or retirement benefits, the maximum amount of this subtraction shall be \$11,000; this subtraction shall not be reduced by the amount of the individual's federal adjusted gross income in excess of \$17,000;

(7) The amount of any credit to the taxpayer's federal tax liability under section 38 of the Internal Revenue Code of 1954 but only to the extent that the credit is connected with or allocable against the production or receipt of income included in the measure of the tax imposed by this chapter;

(8) To the extent included in the taxpayer's federal adjusted gross income for the taxable year, gain recognized upon a transfer of property to the spouse or former spouse of the taxpayer in exchange for the release of the spouse's marital rights;

(9) The amount of any distribution from a qualified pension or profit sharing plan included in federal adjusted gross income in the year of receipt to the extent of any contribution not previously allowed as a deduction by reason of a change in federal law which was not adopted by Minnesota law for a taxable year beginning in 1974 or later;

(10) Interest, including payment adjustment to the extent that it is applied to interest, earned by the seller of the property on a family farm security loan executed before January 1, 1986 that is guaranteed by the commissioner of agriculture as provided in sections 41.51 to 41.60;

(11) The first \$3,000 of compensation for personal services in the armed forces of the United States or the United Nations, and the next \$2,000 of compensation for personal services in the armed forces of the United States or the United Nations wholly performed outside the state of Minnesota. This modification

does not apply to compensation defined in subdivision 20b, clause (6);

(12) The amount of any income earned for personal services rendered outside of Minnesota prior to the date when the taxpayer became a resident of Minnesota. This modification does not apply to compensation defined in subdivision 20b, clause (6);

(13) In the case of wages or salaries paid or incurred on or after January 1, 1977, the amount of any credit for employment of certain new employees under sections 44B and 51 to 53 of the Internal Revenue Code of 1954 which is claimed as a credit against the taxpayer's federal tax liability, but only to the extent that the credit is connected with or allocable against the production or receipt of income included in the measure of the tax imposed by this chapter;

(14) In the case of work incentive program expenses paid or incurred on or after January 1, 1979, the amount of any credit for expenses of work incentive programs under sections 40, 50A and 50B of the Internal Revenue Code of 1954 which is claimed as a credit against the taxpayer's federal tax liability, but only to the extent that the credit is connected with or allocable against the production or receipt of income included in the measure of the tax imposed by this chapter;

(15) (UNEMPLOYMENT COMPENSATION TO THE EXTENT INCLUDIBLE IN GROSS INCOME FOR FEDERAL INCOME TAX PURPOSES UNDER SECTION 85 OF THE INTERNAL REVENUE CODE OF 1954;)

((16)) To the extent included in federal adjusted gross income, severance pay that may be treated as a lump sum distribution under the provisions of section 290.032, subdivision 5;

((17)) (16) The amount of any income or gain which is not assignable to Minnesota under the provisions of section 290.17;

((18)) (17) Minnesota exempt-interest dividends as provided by subdivision 27;

((19)) (18) A business casualty loss which the taxpayer elected to deduct on the current year's Minnesota income tax return but did not deduct on the current year's federal income tax return;

((20)) (19) To the extent included in federal adjusted gross income, in the case of a city manager or city administrator who elects to be excluded from the public employees retirement association and who makes contributions to a deferred compensation program pursuant to section 353.028, the amount of pay-

ments from the deferred compensation program equivalent to the amount of contributions taxed under subdivision 20a, clause (20) ;

((21)) (20) Contributions to and interest earned on an individual housing account as provided by section 290.08, subdivision 25;

((22)) (21) Interest earned on a contract for deed entered into for the sale of property for agricultural use if the rate of interest set in the contract is no more than nine percent per year for the duration of the term of the contract. This exclusion shall be available only if (1) the purchaser is an individual who, together with his spouse and dependents, has a total net worth valued at less than \$150,000 and (2) the property sold under the contract is farm land as defined in section 41.52, subdivision 6 of no more than 1,000 acres that the purchaser intends to use for agricultural purposes. Compliance with these requirements shall be stated in an affidavit to be filed with the first income tax return on which the taxpayer claims the exclusion provided in this clause. Upon request accompanied by the information necessary to make the determination, the commissioner shall determine whether interest to be paid on a proposed transaction will qualify for this exclusion; the determination shall be provided within 30 days of receipt of the request, unless the commissioner finds it necessary to obtain additional information, or verification of the information provided, in which case the determination shall be provided within 30 days of receipt of the final item of information or verification. The exclusion provided in this clause shall apply to interest earned on contracts for deed entered into after December 31, 1981 and before July 1, 1983;

((23)) (22) The penalty on the early withdrawal of an all-savers certificate as provided in section 128(e) of the Internal Revenue Code of 1954 to the extent that the interest was included in income under subdivision 20a, clause (22) ;

((24)) (23) Income from the business of mining as defined in section 290.05, subdivision 1, clause (a) which is not subject to the Minnesota income tax; and

((25)) (24) To the extent included in federal adjusted gross income, distributions from a qualified governmental pension plan which represent a return of designated employee contributions to the plan and which contributions were included in gross income pursuant to subdivision 20a, clause (27).

Sec. 47. [APPROPRIATION.]

The sum of \$8 million is appropriated from the general fund to the emergency interest repayment fund created by section 16 for fiscal year 1984. This sum shall be paid to the emergency interest repayment fund no later than August 31, 1983. The sum

of \$8.5 million is appropriated from the general fund to the emergency interest repayment fund for fiscal year 1985. The sum shall be paid to the emergency interest repayment fund no later than August 31, 1984."

Page 66, line 21, delete "47" and insert "49"

Page 66, line 23, delete "46" and insert "48"

Page 66, line 23, after the period insert "*Section 46 is effective for taxable years beginning after December 31, 1982.*"

Renumber the sections in order

Amend the title as follows:

Page 66, line 13 of the title, after "eligibility;" insert "adopting the federal provisions relating to the taxation of unemployment compensation; appropriating money;"

Page 66, after line 23 of the title, insert "and 290.01, subdivision 20b, as amended;"

A roll call was requested and properly seconded.

POINT OF ORDER

Ogren raised a point of order pursuant to rule 3.9 that the amendment was not in order. The Speaker Pro Tem ruled the point of order not well taken and the amendment in order.

The question recurred on the Ludeman amendment and the roll was called.

Eken moved that those not voting be excused from voting. The motion did not prevail.

Eken moved that those not voting be excused from voting. The motion prevailed.

There were 57 yeas and 71 nays as follows:

Those who vote voted in the affirmative were:

Anderson, R.	Erickson	Haukoos	Levi	Piepho
Bennett	Evans	Hcinitz	Ludeman	Quist
Bishop	Findlay	Himle	Marsh	Redalen
Blatz	Fjoslien	Hoberg	McDonald	Reif
Burger	Forsythe	Hokr	McKasy	Rose
Carlson, D.	Frerichs	Jennings	Olsen	Schafer
Dempsy	Gruenes	Johnson	Omann	Schreiber
DenOuden	Gutknecht	Knickerbocker	Onnen	Seaberg
Dimler	Halberg	Kvam	Pauly	Shaver

Sherman	Thiede	Valento	Welle	Zaffke
Stadium	Uphus	Waltman	Wigley	
Swiggum	Valan	Welker		

Those who voted in the negative were:

Anderson, G.	Elioff	McEachern	Quinn	Sparby
Battaglia	Ellingson	Metzen	Rice	Staten
Beard	Graba	Minne	Riveness	Swanson
Begich	Greenfield	Munger	Rodosovich	Tomlinson
Bergstrom	Gustafson	Murphy	Rodriguez, C.	Tunheim
Berkelman	Hoffman	Nelson, D.	Rodriguez, F.	Vanasek
Brandt	Jensen	Neuenschwander	St. Onge	Vellenga
Brinkman	Kahn	Norton	Sarna	Voss
Carlson, L.	Kalis	O'Connor	Scheid	Wenzel
Clark, J.	Knuth	Ogren	Schoenfeld	Wynia
Clark, K.	Kostohryz	Osthoff	Segal	Speaker Sieben
Clawson	Krueger	Otis	Shea	
Cohen	Larsen	Peterson	Simoneau	
Coleman	Long	Piper	Skoglund	
Eken	Mann	Price	Solberg	

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

Swiggum moved to amend S. F. No. 1011, as amended, as follows:

Page 39, line 23, strike everything after "until"

Page 39, lines 24 and 25, delete the new language and strike the old language except the final period, and insert "*the individual has earned 15 or more additional credit weeks*"

A roll call was requested and properly seconded.

The question was taken on the amendment and the roll was called.

Eken moved that those not voting be excused from voting. The motion did not prevail.

Eken moved that those not voting be excused from voting. The motion prevailed.

There were 54 yeas and 72 nays as follows:

Those who voted in the affirmative were:

Bennett	Findlay	Haukoos	Krueger	Onnen
Bishop	Fjoslien	Heinitz	Kvam	Pauly
Burger	Forsythe	Himle	Ludeman	Piepho
Carlson, D.	Frerichs	Hoberg	Marsh	Quist
Dempsey	Graba	Hokr	McDonald	Redalen
Dimler	Cruenes	Jennings	McKasy	Reif
Erickson	Gutknecht	Johnson	Olsen	Rose
Evans	Halberg	Kniickerbocker	Omamn	Schafer

Schreiber	Sherman	Thiede	Valento	Wigley
Seaberg	Stadum	Uphus	Waltman	Zaffke
Shaver	Sviggum	Valan	Welker	

Those who voted in the negative were:

Anderson, G.	Eken	Mann	Price	Sparby
Anderson, R.	Elioff	McEachern	Quinn	Staten
Battaglia	Ellingson	Metzen	Rice	Swanson
Beard	Greenfield	Minne	Riveness	Tomlinson
Begich	Gustafson	Munger	Rodosovich	Tunheim
Bergstrom	Hoffman	Murphy	Rodriguez, C.	Vanasek
Berkelman	Jacobs	Nelson, D.	Rodriguez, F.	Vellenga
Braudi	Jensen	Neuenschwander	Sarna	Voss
Brinkman	Kahn	Norton	Scheid	Welle
Carlson, L.	Kalis	O'Connor	Schoenfeld	Wenzel
Clark, J.	Kelly	Ogren	Segal	Wynia
Clark, K.	Knuth	Osthoff	Shea	Speaker Sieben
Clawson	Kostohryz	Otis	Simoneau	
Cohen	Larsen	Peterson	Skoglund	
Coleman	Long	Piper	Solberg	

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

Sviggum moved to amend S. F. No. 1011, as amended, as follows:

Page 19, after line 7, insert:

"Sec. 8. Minnesota Statutes 1982, section 268.04, is amended by adding a subdivision to read:

Subd. 34. [SEASONAL EMPLOYMENT.] "Seasonal employment" means employment which, because of climatic conditions, is available only at certain predictable periods in the year. Seasonal employment only includes employment on Great Lakes freighters, employment in the summer recreation or tourist industry, and such other employments as the commissioner may by rule determine meet the definition of seasonal employment.

Sec. 9. Minnesota Statutes 1982, section 268.04, is amended by adding a subdivision to read:

Subd. 35. [OFF-SEASON WEEKS.] "Off-season weeks" means that period of time, as determined in rules by the commissioner, during which work in a seasonal employment is predictably not available. For each seasonal employment the commissioner shall, by rule, determine the annual periods for off-season weeks."

Page 32, after line 18, insert:

"Sec. 20. Minnesota Statutes 1982, section 268.07, subdivision 2a, is amended to read:

(SUBD. 2A. [EXCEPTION.] NOTWITHSTANDING THE PROVISIONS OF SUBDIVISION 2, IF THE COMMISSIONER FINDS THAT AN INDIVIDUAL HAS EARNED CREDIT WEEKS IN SEASONAL EMPLOYMENT, BENEFITS SHALL BE PAYABLE ONLY IF THE COMMISSIONER FINDS THAT THE INDIVIDUAL HAS EARNED 15 CREDIT WEEKS IN EMPLOYMENT WHICH IS NOT SEASONAL, IN ADDITION TO ANY CREDIT WEEKS IN SEASONABLE EMPLOYMENT. FOR THE PURPOSES OF THIS SUBDIVISION, "SEASONAL EMPLOYMENT" MEANS EMPLOYMENT WITH A SINGLE EMPLOYER IN THE RECREATION OR TOURIST INDUSTRY WHICH IS AVAILABLE WITH THE EMPLOYER FOR 15 CONSECUTIVE WEEKS OR LESS EACH CALENDAR YEAR.)"

Page 33, line 16, strike ", as defined in"

Page 33, line 17, strike "subdivision 2a,"

Page 33, lines 18 and 19, strike all the old language and insert "*off-season weeks for that employment.*"

Renumber all sections and correct internal cross-references

Further, amend the title as necessary

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

The Speaker resumed the Chair.

S. F. No. 1011, A bill for an act relating to unemployment compensation; providing for conformity with federal law; imposing an annual surcharge on employers' calendar year contributions for the purpose of repayment of interest charged on federal loans; creating the emergency interest repayment fund; adding a category to the extension of base period in the definition of base period; updating the law to reflect current practice; making technical changes; removing obsolete language; regulating administrative practices; providing for the effect of back pay awards; regulating benefit amounts, contributions, and benefit eligibility; requiring a report to the legislature on shared work benefits; appropriating money; amending Minnesota Statutes 1982, sections 268.04, subdivisions 2, 12, 17, 25, 26, 29, and by adding a subdivision; 268.05, subdivision 5; 268.06, subdivisions 1, 2, 3a, 5, 20, 28, and 29; 268.07, subdivisions 2 and 3; 268.071, subdivision 3; 268.08, subdivisions 1, 3, 6, and by adding subdivisions; 268.09, subdivisions 1 and 2; 268.10, subdivisions 2, 3, 4, 5, 6, 7, and 9; 268.11, subdivisions 2 and 3; 268.12, subdivisions 8 and 9; 268.16, subdivision 2; 268.161, subdivisions 1, 4, 5, 7, and 8; 268.18, subdivisions 1 and 2; proposing new law

coded in Minnesota Statutes, chapter 268; repealing Minnesota Statutes 1982, section 268.06, subdivision 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.

Eken moved that those not voting be excused from voting. The motion prevailed.

There were 82 yeas and 44 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Eken	Long	Quinn	Solberg
Battaglia	Elioff	Mann	Reif	Sparby
Beard	Ellingson	McEachern	Rice	Staten
Begich	Findlay	McKasy	Riveness	Swanson
Bennett	Graba	Metzen	Rodosovich	Tomlinson
Bergstrom	Greenfield	Minne	Rodriguez, C.	Tunheim
Berkelman	Gustafson	Munger	Rodriguez, F.	Valento
Blatz	Gutknecht	Murphy	Rose	Vanasek
Brandl	Hoffman	Nelson, D.	St. Onge	Vellenga
Brinkman	Jacobs	Norton	Sarna	Voss
Burger	Jensen	O'Connor	Scheid	Welle
Carlson, L.	Kahn	Ogren	Schoenfeld	Wenzel
Clark, J.	Kalis	Osthoff	Segal	Wynia
Clark, K.	Knuth	Otis	Shea	Speaker Sieben
Cohen	Kostohryz	Peterson	Sherman	
Coleman	Krueger	Piper	Simoneau	
Dempsey	Larsen	Price	Skoglund	

Those who voted in the negative were:

Anderson, R.	Frerichs	Johnson	Pauly	Sviggum
Bishop	Gruenes	Knickerbocker	Piepho	Thiede
Carlson, D.	Halberg	Kvam	Quist	Uphus
DenOuden	Haukoos	Ludeman	Redalen	Valan
Dimler	Heinitz	Marsh	Schafer	Waltman
Erickson	Himle	McDonald	Schreiber	Welker
Evans	Hoberg	Olsen	Seaberg	Wigley
Fjoslien	Hokr	Omann	Shaver	Zaffke
Forsythe	Jennings	Onnen	Stadum	

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

Knuth and Halberg were excused for the remainder of today's session.

S. F. No. 1012 was reported to the House.

Long moved to amend S. F. No. 1012, as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1982, section 115.071, subdivision 2, is amended to read:

Subd. 2. [CRIMINAL PENALTIES.] (a) [VIOLATIONS OF LAWS; ORDERS; PERMITS.] (1) *Except as provided in sections 2 and 3*, any person who willfully or negligently violates any provision of chapters 115 or 116, or any standard, regulation, variance, order, stipulation agreement, schedule of compliance or permit issued or adopted by the agency thereunder, which violation is not included in clause (2), shall upon conviction be guilty of a misdemeanor.

(2) Any person who willfully or negligently violates any effluent standard and limitation or water quality standard adopted by the agency, any National Pollutant Discharge Elimination System permit or any term or condition thereof, any duty to permit or carry out any recording, reporting, monitoring, sampling, information entry, access, copying, or other inspection or investigation requirement as provided under applicable provisions of this chapter and, with respect to the pollution of waters of the state, chapter 116, or any National Pollutant Discharge Elimination System filing requirement, shall upon conviction be punished by a fine of not less than \$2,500 in the event of a willful violation or not less than \$300 in the event of a negligent violation. In any case the penalty shall not be more than \$25,000 per day of violation or by imprisonment for not more than one year, or both. If the conviction is for conduct committed after a first conviction of such person under this subdivision, punishment shall be by fine of not more than \$50,000 per day of violation, or by imprisonment for not more than two years, or both.

(b) [INFORMATION AND MONITORING.] Any person who knowingly makes any false statement, representation, or certification in any application, record, report, plan, or other document filed or required to be maintained under this chapter and, with respect to the pollution of the waters of the state, chapter 116, or standards, regulations, orders, stipulation agreements, schedule of compliance or permits pursuant hereto, or who falsifies, tampers with, or knowingly renders inaccurate any monitoring device or method required to be maintained under this chapter and, with respect to the pollution of waters of the state, chapter 116, or standards, regulations, variances, orders, stipulation agreements, schedules of compliance, or permits pursuant thereto, shall upon conviction, be punished by a fine of not more than \$10,000 per day of violation, or by imprisonment for not more than six months, or both.

(c) [DUTY OF LAW ENFORCEMENT OFFICIALS.] It shall be the duty of all county attorneys, sheriffs and other peace officers, and other officers having authority in the enforcement of the general criminal laws to take all action to the extent of their authority, respectively, that may be necessary or proper

for the enforcement of said provisions, regulations, standards, orders, stipulation agreements, variances, schedule of compliance, or permits.

Sec. 2. Minnesota Statutes 1982, section 115.071, is amended by adding a subdivision to read:

Subd. 2a. [HAZARDOUS WASTE; CRIMINAL PENALTIES.] A person shall be punished by a fine of not more than \$25,000 per day of violation or by imprisonment of not more than one year, or both, upon conviction of any of the following offenses:

(a) willfully or negligently violating any provision relating to hazardous waste of chapter 115 or 116, or any standard, rule, variance, order, stipulation agreement, schedule of compliance, permit, or term or condition of a permit issued or adopted by the agency under such a provision;

(b) willfully or negligently violating any duty to permit or carry out any recording, reporting, monitoring, sampling, information entry, access, copying or other inspection or investigation requirement as provided under any provision relating to hazardous waste of chapter 115 or 116, or any standard, rule, variance, order, stipulation agreement, schedule of compliance or permit issued or adopted by the agency under such a provision; or

(c) knowingly making any false material statement, representation or certification in any application, label, manifest, record, report, plan, permit or other document, or knowingly destroying, altering, or concealing any document, filed or required to be maintained with respect to hazardous waste under any provision of chapter 115 or 116, or under any standard, rule, order, stipulation agreement, schedule of compliance or permit issued or adopted by the agency under such a provision.

If the conviction is for conduct committed after a first conviction of the person under this subdivision, punishment shall be by a fine of not more than \$50,000 per day of violation or by imprisonment of not more than two years, or both.

Sec. 3. Minnesota Statutes 1982, section 115.071, is amended by adding a subdivision to read:

Subd. 2b. [HAZARDOUS WASTE; UNLAWFUL DISPOSAL; CRIMINAL PENALTIES.] Any person who knowingly, or with reason to know, disposes of hazardous waste in a manner contrary to any provision of chapter 115 or 116, or any standard or rule adopted in accordance with those chapters relating to disposal, 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 \$25,000.

For the purposes of this subdivision, the terms defined in this clause have the meanings given them.

(a) *"Disposal" has the meaning given it in section 115A.03, subdivision 9.*

(b) *"Hazardous waste" has the meaning given it in section 116.06, subdivision 13.*

Sec. 4. Minnesota Statutes 1982, section 115.071, subdivision 3, is amended to read:

Subd. 3. [CIVIL PENALTIES.] Any person who violates any provision of chapters 115 or 116, except any provisions of chapter 116 relating to air and land pollution caused by agricultural operations which do not involve National Pollutant Discharge Elimination System permits, or of (1) any effluent standards and limitations or water quality standards, (2) any (NATIONAL POLLUTANT DISCHARGE ELIMINATION SYSTEM) permit or term or condition thereof, (3) any National Pollutant Discharge Elimination System filing requirements, (4) any duty to permit or carry out inspection, entry or monitoring activities, or (5) any rules, (REGULATIONS,) stipulation agreements, variances, schedules of compliance, or orders issued by the agency, shall forfeit and pay to the state a penalty, in an amount to be determined by the court, of not more than \$10,000 per day of violation *except that if the violation relates to hazardous waste the person shall forfeit and pay to the state a penalty, in an amount to be determined by the court, of not more than \$25,000 per day of violation.*

In addition, in the discretion of the court, the defendant may be required to:

(a) forfeit and pay to the state a sum which will adequately compensate the state for the reasonable value of cleanup and other expenses directly resulting from unauthorized discharge of pollutants, whether or not accidental;

(b) forfeit and pay to the state an additional sum to constitute just compensation for any loss or destruction to wildlife, fish or other aquatic life and for other actual damages to the state caused by an unauthorized discharge of pollutants.

As a defense to any of said damages, the defendant may prove that the violation was caused solely by (1) an act of God, (2) an act of war, (3) negligence on the part of the state of Minnesota, or (4) an act or failure to act which constitutes sabotage or vandalism, or any combination of the foregoing clauses.

The civil penalties and damages provided for in this subdivision may be recovered by a civil action brought by the attorney general in the name of the state.

Sec. 5. Minnesota Statutes 1982, section 115A.03, subdivision 10, is amended to read:

Subd. 10. "Disposal facility" means a waste facility permitted by the agency that is designed or operated for the purpose of disposing of waste on or in the land, *together with any appurtenant facilities needed to process waste for disposal or transfer to another waste facility.*

Sec. 6. Minnesota Statutes 1982, section 115A.05, subdivision 2, is amended to read:

Subd. 2. [PERMANENT MEMBERS.] Eight of the permanent members of the board shall be appointed by the governor, with the advice and consent of the senate, to represent diverse areas and interests within the state. One member shall be appointed from each congressional district in accordance with boundaries existing on January 1, 1980. The term of office and compensation of the eight members thus appointed, and the manner of removal and filling of vacancies, shall be as provided in section 15.0575, except that the initial term of all members shall (BE FOUR YEARS) *extend until 90 days after the board makes the decisions required by section 115A.28* and the rate of compensation shall be \$50 per day spent on board activities. The ninth permanent member of the board shall be the chairperson who shall be appointed by the governor with the advice and consent of the senate. The chairperson shall serve at the pleasure of the governor for a term coterminous with that of the governor, except that the initial term of the chairperson shall (BE FOUR YEARS) *extend until 90 days after the board makes the decisions required by section 115A.28.* The chairperson shall be the executive and operating officer of the board and shall determine the time and place of meetings, preside at meetings, appoint all board officers and hire and supervise all employees subject to the approval of the board, carry out the policy decisions of the board, and perform all other duties and functions assigned by him by the board or by law. No permanent member of the board shall hold other elected or appointed public office.

Sec. 7. Minnesota Statutes 1982, section 115A.05, subdivision 3, is amended to read:

Subd. 3. [TEMPORARY MEMBERS.] (FOR THE PURPOSES OF EACH PROJECT REVIEW CONDUCTED BY THE BOARD UNDER SECTIONS 115A.18 TO 115A.30 AND 115A.32 TO 115A.39 AND FOR THE PURPOSE OF PREPARING AND ADOPTING THE HAZARDOUS WASTE MANAGEMENT PLAN UNDER SECTION 115A.11 AND MAKING DECISIONS ON THE ELEMENTS OF THE CERTIFICATION OF NEED FOR DISPOSAL REQUIRED UNDER SECTIONS 115A.18 TO 115A.30, SIX) Local representatives shall be added to the board as temporary voting members, as provided in sections 15; 115A.22, subdivision 4 (,); and

115A.34. The provisions of section 15.0575, subdivisions 3 and 4 relating to compensation, removal, and vacancy shall apply to temporary members except that the rate of compensation shall be \$50 per day spent on board activities and that appointments by the governor to fill vacancies shall take effect in the same manner as the original appointment.

Sec. 8. Minnesota Statutes 1982, section 115A.06, subdivision 4, is amended to read:

Subd. 4. [ACQUISITION OF SITES FOR HAZARDOUS WASTE FACILITIES.] The board may direct the commissioner of administration to acquire by purchase, lease, condemnation, gift, or grant, any permanent or temporary right, title, and interest in and to real property, including positive and negative easements and water, air, and development rights, for sites and buffer areas surrounding sites for hazardous waste facilities approved by the board pursuant to sections 115A.18 to 115A.30 and 115A.32 to 115A.39. The board may also direct the commissioner of administration to acquire by purchase, lease, gift, or grant, development rights for sites and buffer areas surrounding sites for all or part of the period that the development (MORATORIUM) *limitations* imposed by section 115A.21, subdivision 3, (IS) *are* in effect. Money for the acquisition of any real property and interest in real property pursuant to this subdivision shall come from the issuance of state waste management bonds in accordance with sections 115A.57 to 115A.59. The property shall be leased *in accordance with terms determined by the board* to the owner and operator of the hazardous waste facility located thereon at a rate sufficient to pay debt service on the bonds which provided funds used to acquire the property and to evaluate the eligibility of the property for inclusion in the inventory under section 115A.09 or candidacy under sections 115A.18 to 115A.30. Any local government unit and the commissioners of transportation, natural resources, and administration may convey or allow the use of any property for such sites and areas, subject to the rights of the holders of any bonds issued with respect thereto, with or without compensation and without an election or approval by any other government agency. Land owned by the state may be exchanged for land not owned by the state for the purpose of providing a site and buffer area for a commercial hazardous waste facility, in accordance with the provisions of section 94.341 to 94.347 and other law. The commissioner of administration may hold the property for the purposes for which it was acquired, and may lease, rent, or dispose of the property so far as not needed for such purposes, upon the terms and in the manner the commissioner deems advisable. The right to acquire lands and property rights by condemnation shall be exercised in accordance with chapter 117. The commissioner of administration may take possession of any property for which condemnation proceedings have been commenced at any time after the issuance of a court order appointing commissioners for its condemnation. Where the property is acquired through eminent domain proceedings, the land owner's compensation shall

be the fair market value of the property. Where the property is acquired by means other than through eminent domain proceedings, as by direct purchase or gift, the land owner's compensation shall be determined by the agreement of the parties involved. An award of compensation in a condemnation proceeding shall not be increased or decreased by reason of any increase or decrease in the value of the property caused by its designation in the inventory of preferred areas under section 115A.09 or as a candidate site under sections 115A.18 to 115A.30 or its election as a site or buffer area.

Sec. 9. Minnesota Statutes 1982, section 115A.08, subdivision 4, is amended to read:

Subd. 4. [REPORT ON HAZARDOUS WASTE MANAGEMENT; DRAFT MANAGEMENT PLAN AND CERTIFICATION OF NEED.] By (AUGUST 15, 1982) *November 1, 1983*, the board through its chairperson shall report to the legislative commission on hazardous waste management. The report shall include at least:

(a) an evaluation of alternative disposal facilities, disposal facility technologies, and disposal facility design and operating specifications (AND AN EXPLANATION OF THE PRELIMINARY DESIGN AND OPERATING SPECIFICATIONS FOR DISPOSAL FACILITIES SELECTED FOR CONSIDERATION UNDER SECTION 115A.23);

(b) an evaluation of prospects, strategies, and methods for developing commercial hazardous waste disposal facilities of various types, sizes, and functions;

(c) an evaluation of all feasible and prudent alternatives to disposal, including waste reduction, separation, pretreatment, processing, and resource recovery, and the potential of the alternatives to reduce the need for and practice of disposal;

(d) an evaluation of feasible and prudent disposal abatement objectives, along with a description of hazardous waste management methods and technologies, private and government actions, facilities and services, development schedules, revenue-raising measures, and levels of public and private expenditure and effort necessary to the achievement of those objectives;

(e) *an evaluation of implementation strategies, including at least:*

(1) *waste reduction, on-site processing, and off-site management by generators;*

(2) *changes and improvements in regulation, licensing, permitting, and enforcement;*

(3) *government tax and financing programs to encourage proper waste management;*

(4) *institutional alternatives, such as generator associations, cooperatives, franchises, public ownership, and flow control districts;*

(5) *promotion of private investment;*

(6) *interstate cooperation;*

(f) *an evaluation of the possibilities for negotiating long-term contracts with other states or with facilities in other states for disposal of hazardous waste from Minnesota.*

The report shall analyze the environmental, social, and economic effects of the alternatives and methods by which unavoidable adverse effects could be mitigated.

With the report the board through its chairperson shall (INCLUDE) submit a draft hazardous waste management plan, based on the analysis in the report and proposed for adoption pursuant to section 115A.11, and a draft certificate or certificates of need proposed for issuance under section 115A.24. The draft plan and certificates must include an explanation of the basis of the findings, conclusions, and recommendations contained therein.

Sec. 10. Minnesota Statutes 1982, section 115A.08, subdivision 5, is amended to read:

Subd. 5. [REPORT ON MITIGATION OF LOCAL EFFECTS OF HAZARDOUS WASTE FACILITIES.] (BY AUGUST 15, 1982) *With the report required by subdivision 4, the board through its chairperson shall report and make recommendations to the legislative commission on methods of mitigating and compensating for the local risks, costs, and other adverse effects of various types of hazardous waste facilities and on methods of financing mitigation and compensation measures. The methods of mitigating and compensating to be considered shall include but not be limited to the following: payment outside of levy limitations in lieu of taxes for all property taken off the tax rolls; preference in reviews of applications for federal funds conducted by the metropolitan council and regional development commissions; payment of all costs to service the facilities including the cost of roads, monitoring, inspection, enforcement, police and fire, and litter clean up costs; payment for buffer zone amenities and improvement; local control over buffer zone design; a guarantee against any and all liability that may occur.*

Sec. 11. Minnesota Statutes 1982, section 115A.08, subdivision 6, is amended to read:

Subd. 6. [PREPARATION OF HAZARDOUS WASTE REPORTS; PROCEDURES; PUBLIC INVOLVEMENT.] By January 1, 1981, the board through its chairperson shall submit a proposed scope of work and work program for the hazardous waste reports required by subdivisions 4 and 5 to the legislative commission for review. During the preparation of the proposed scope of work and work plan and the reports, the board and the chairperson on behalf of the board shall encourage public debate and discussion of the issues relating to the reports. (THE BOARD AND THE CHAIRPERSON ON BEHALF) *Representatives* of the board, including at least one permanent member, shall meet with local officials and sponsor at least one public meeting in areas of the state affected by the inventory of preferred processing facility areas prepared pursuant to section 115A.09. The board and the chairperson on behalf of the board shall follow the procedures set out in section 115A.22, for consulting with citizens in areas affected by the selection of candidate sites for disposal facilities. To assist it in preparing the reports, *the plan, and the certification of need* required by subdivisions 4 (AND 5) to 5a and sections 115A.11 and 115A.24, the board through its chairperson shall make grants to each local project review committee established for a candidate site for disposal identified under sections 115A.18 to 115A.30. The grants may be used by the committee to employ staff, pay administrative expenses, or contract with affected units of government or qualified consultants. The board and the chairperson on behalf of the board shall request recommendations from the private waste management industry, the board's advisory councils, affected regional development commissions, and the metropolitan council and shall consult with them on the board's intended disposition of the recommendations. The reports of the board shall summarize the comments received and the board's response to the comments.

Sec. 12. Minnesota Statutes 1982, section 115A.10, is amended to read:

115A.10 [DUTIES OF THE BOARD; HAZARDOUS WASTE FACILITIES; ENCOURAGEMENT OF PRIVATE ENTERPRISE.]

The board and the chairperson on behalf of the board shall encourage the development and operation of hazardous waste facilities by private enterprise to the extent practicable and consistent with the purposes of sections 115A.01 to 115A.72 and the board's hazardous waste management plan adopted pursuant to section 115A.11. In preparing the reports under section 115A.08 and the inventory of processing facility sites under section 115A.09, in adopting the management plan, and in its actions and decisions under sections 115A.18 to 115A.30 and 115A.32 to 115A.39, the

board and the chairperson on behalf of the board shall solicit the active participation of private waste management firms and shall so conduct its activities as to encourage private permit applications for facilities needed in the state. The board shall promulgate rules for accepting (,) and evaluating (, AND SELECTING) applications for permits for the construction and operation of facilities at sites preferred (OR SELECTED) by the board pursuant to section 115A.09 (OR SECTIONS 115A.18 TO 115A.30). The rules shall include standards and procedures for making determinations on the minimum qualifications, including technical competence and financial capability, of permit applicants. (THE RULES SHALL INCLUDE STANDARDS AND PROCEDURES FOR SOLICITING AND ACCEPTING BIDS OR PERMIT APPLICATIONS AND FOR SELECTING DEVELOPERS AND OPERATORS OF HAZARDOUS WASTE DISPOSAL FACILITIES AT SITES CHOSEN BY THE BOARD PURSUANT TO SECTIONS 115A.18 TO 115A.30, WHICH SHALL INCLUDE A PREFERENCE FOR QUALIFIED PERMIT APPLICANTS WHO CONTROL A SITE CHOSEN BY THE BOARD.)

Sec. 13. Minnesota Statutes 1982, section 115A.11, subdivision 1, is amended to read:

Subdivision 1. [CONTENTS.] (BY DECEMBER 15, 1982,) The board shall adopt a hazardous waste management plan. In developing and implementing the plan, the highest priority of the board shall be placed upon alternatives to land disposal of hazardous wastes including: technologies to modify industrial processes or introduce new processes which will reduce or eliminate hazardous waste generation; recycling, re-use, and recovery methods to reduce or eliminate hazardous waste disposal; and conversion and treatment technologies to reduce the degree of environmental risk from hazardous waste. The board shall also consider technologies for retrievable storage of hazardous wastes for later recycling, re-use, recovery, conversion, or treatment.

The plan shall include at least the following elements:

- (a) an estimate of the types and volumes of hazardous waste which will be generated in the state through the year 2000;
- (b) specific and quantifiable objectives for reducing to the greatest feasible and prudent extent the need for and practice of disposal, through waste reduction, pretreatment, retrievable storage, processing, and resource recovery;
- (c) a description of the minimum disposal capacity and capability needed to be developed within the state for use through the year 2000, based on the achievement of the objectives under clause (b);

(d) a description of implementation strategies required to develop the needed disposal capacity under clause (c) and to achieve the objectives under clause (b), including: the necessary private and government actions; development schedules for facilities, services, and regulations; revenue-raising and financing measures; levels of public and private effort and expenditure; legal and institutional changes; and other similar matters.

The plan shall provide for the orderly development of hazardous waste management sites and facilities to protect the health and safety of rural and urban communities. In preparing the plan the board shall consider its impact upon agricultural and natural resources.

The plan shall require the establishment in the state of at least one commercial retrievable storage or disposal facility and shall recommend and encourage methods and procedures, that will insure the establishment of at least one facility for the recycling, re-use, recovery, conversion, treatment, destruction, transfer, or storage of hazardous waste. The board may make the implementation of elements of the plan contingent on actions of the legislature which have been recommended in the draft plan and certification of need and considered in the reports submitted pursuant to section 115A.08.

Sec. 14. Minnesota Statutes 1982, section 115A.11, subdivision 2, is amended to read:

Subd. 2. [PROCEDURE.] The plan shall be based upon the reports prepared pursuant to section 115A.08. The plan, the certificate of need issued under section 115A.24, and the procedures for hearings on the draft plan and draft certificate of need, shall not be subject to the rule-making or contested case provisions of chapter 14. By July 1, 1983, the chairman of the board shall report to the legislative commission on waste management about the hearing to be held pursuant to this subdivision. The chairman shall describe the board's plans and procedures for the hearing, the provisions for encouraging public participation in the hearing, and the board's plans for preparing the required report to the legislature fully and accurately summarizing the results of the hearing, the objections raised to the board's draft plan and certification, and the board's response to the testimony received. The legislative commission shall hold a hearing to receive public comment on the board's proposed hearing procedures and thereafter shall make any recommendations it deems appropriate for changes in the board's procedures. Within 30 days following the submission of the report on hazardous management required under section 115A.08, subdivision 4, the board shall hold a public hearing on the draft plan and draft certificate or certificates of need (CONTAINED IN) submitted with the report. Notices of the draft plan and the draft certificate or certificates and notice of the hearing shall be published in the state register and newspapers of general cir-

ulation in the state. *The notices must indicate how copies of the draft plan and draft certificate or certificates of need may be obtained. The board shall make the draft plan and draft certificate or certificates of need available for public review and comment at least 21 days before the hearing. The hearing shall be ordered by the chairperson of the board and shall be conducted by the state office of administrative hearings in a manner consistent with the completion of the proceedings in the time allowed by this section. The hearing officer shall not issue a report but shall preside at the hearing to ensure that the hearing is conducted in a fair, orderly, and expeditious manner and in accordance with the hearing procedures of the board. A majority of the permanent members of the board shall attend the hearing. In connection with the hearing, the chairperson of the board shall provide copies of the studies and reports on which the draft plan and certification of need are based and shall (MAKE AN AFFIRMATIVE PRESENTATION SHOWING THE NEED FOR AND REASONABLENESS OF THE DRAFT PLAN AND CERTIFICATION OF NEED) present an explanation of the basis of the findings, conclusions, and recommendations in the draft plan and certification of need. Following the hearing, the board shall revise the plan and the certificate or certificates of need as it deems appropriate, shall make a written response to the testimony received at the hearing explaining its disposition of any recommendations made with respect to the plan and certification, and shall finally adopt a plan in accordance with this section and issue a certificate or certificates of need in accordance with section 115A.24.*

Sec. 15. [115A.201] [BEDROCK DISPOSAL.]

Subdivision 1. [EVALUATION OF TECHNOLOGY; STUDY AREAS.] The board shall evaluate the feasibility of bedrock disposal of hazardous waste. If the board determines that bedrock disposal is or may be a feasible disposal technology, the board shall identify bedrock study areas of up to four square miles in size for further evaluation.

Subd. 2. [PARTICIPATION BY AFFECTED LOCALITIES.] A plan review committee shall be established for each study area and a temporary board member shall be appointed as provided in this subdivision, to participate in the plan and certification of need to be submitted to the commission under section 115A.08, subdivision 4 and adopted under sections 115A.11 and 115A.24. Within 30 days following the identification of a bedrock study area by the board, the governor shall appoint the chair and members of a plan review committee, ensuring a balanced representation of all parties with a legitimate and direct interest in the review of the plan and certification of need. The plan review committee shall be eligible for technical assistance and grants pursuant to section 115A.08, subdivision 6, to assist it in participating in the plan and certification of need. Within 30 days following the appointment of a plan review com-

mittee, the committee shall select a temporary board member to be added to the board. Temporary board members may be members of the local plan review committee, and they shall be residents of the county in which the study area is primarily located. Temporary board members shall serve for terms lasting so long as the location the member represents is a study area. Temporary board members shall not participate or vote in decisions affecting the selection and certification of sites under this section and section 115A.21.

Subd. 3. [CANDIDATE SITES.] If the board determines that candidate sites are to be selected in the bedrock study areas, the candidate sites must be proposed and selected as provided in section 115A.21, subdivisions 1 and 2a.

Sec. 16. Minnesota Statutes 1982, section 115A.21, is amended to read:

115A.21 [CANDIDATE SITES.]

Subdivision 1. [SELECTION.] (BY MARCH 15, 1982,) The board shall select (SIX) *at least four* locations in the state, no more than one site per county, as candidate sites for commercial disposal facilities for hazardous waste. *Candidate sites selected by the board before February 1, 1983, and additional candidate sites selected pursuant to this section, must be reviewed pursuant to sections 115A.22 to 115A.30.* No location shall be selected as a candidate site unless the agency certifies its intrinsic suitability for the use intended *pursuant to subdivision 2a.*

Subd. 2. [SEARCH PROCEDURE.] The board shall consult with the agency and the private waste management industry in selecting candidate sites. Any sites proposed in applications for permits for disposal facilities being reviewed by the agency may be included by the board as candidate sites, provided the agency certifies the intrinsic suitability of the sites. The agency shall suspend its review of any permit application being reviewed by the board for inclusion as a candidate site until the site is eliminated from consideration as a candidate site.

(SUBD. 2. [PROCEDURE.]) As soon as practicable, the board through its chairperson shall publish a request soliciting proposals and permit applications for hazardous waste disposal facilities from potential developers and operators of such facilities. Notice of the request shall be published in the state register and newspapers of general circulation in the state and shall be transmitted to all regional development commissions, the metropolitan council, and all counties in the state. The board may select conceptual design and operating specifications for a variety of hazardous waste disposal facilities in sufficient detail and extent in the judgment of the board to assist the evaluation of

sites and the selection of candidate sites. By November 1, 1980, the board through its chairperson shall notify each regional development commission, or the metropolitan council, and each local government unit within whose jurisdiction the board intends to search for candidate sites. The notification shall explain the selection of the jurisdiction as a search area; shall summarize any conceptual specifications and the evaluation factors, criteria, standards, and procedures the board intends to use in selecting candidate sites; and shall describe the relationship of the candidate site selection process to the other review procedures under sections 115A.18 to 115A.30 and the hazardous waste reports and plans required under sections 115A.04 to 115A.15. The notification shall request recommendations and suggestions from each such commission, the metropolitan council, and local government unit on the criteria, standards, and procedures the board should use in selecting candidate sites within the time allowed. The board through its chairperson shall make a written response to any recommendations, explaining its disposition of the recommendations. *No action of the board may be held invalid by reason of the board's failure to notify any of the entities listed in this subdivision.*

Subd. 2a. [INTRINSIC SUITABILITY CERTIFICATION.]

The board shall provide to the agency data relating to the intrinsic suitability of (THE SITES) *a site* to be proposed as a candidate (SITES) *site* as soon as available (BUT NO LATER THAN NOVEMBER 1, 1981. BY NOVEMBER 15, 1981, THE BOARD SHALL PROPOSE AT LEAST SIX LOCATIONS AS CANDIDATE SITES, AND). The director of the agency shall issue (A) notice indicating (WHICH OF THOSE SITES) *whether* the director recommends *that the proposed sites should* be certified as intrinsically suitable. The board through its chairperson and the director shall publish notice of hearings on the board's proposal and the director's recommendations. Notice shall be published in the state register and newspapers of general circulation in the state and shall be sent by mail to all regional development commissions, or the metropolitan council, and to local government units containing a proposed candidate site. The hearings shall be conducted by the state office of administrative hearings in a manner consistent with the completion of the proceedings and the hearing examiner's report to the agency and board in the time allowed by this section. The hearing shall afford all interested persons an opportunity to testify and present evidence on the subject of the hearing. The subject of the hearing shall be limited to information submitted by the board and additional information on the proposed sites which is relevant to the board's decision on candidate sites and the agency's decision on intrinsic suitability. The rulemaking and contested case procedures of chapter 14 shall not apply to this hearing. The hearing examiner may consolidate hearings. The report of the hearing examiner shall contain findings of fact, conclusions, and recommendations on the subject of the hearing. The agency shall make a final determination as to the

intrinsic suitability of each proposed site and shall certify sites accordingly (BY MARCH 1, 1982). No action of the board or agency (SHALL) *may* be held invalid by reason of the board's or agency's failure to notify any of the entities listed in this subdivision.

Subd. 3. [(MORATORIUM) *DEVELOPMENT LIMITATIONS.*] In order to permit the comparative evaluation of sites and *buffer areas* and the participation of affected localities in decisions about the use of sites and *buffer areas*, (A MORATORIUM IS HEREBY IMPOSED AS PROVIDED IN THIS SUBDIVISION ON ALL DEVELOPMENT WITHIN EACH PROPOSED OR CANDIDATE SITE IDENTIFIED PURSUANT TO THIS SECTION) *development in each candidate site and in a buffer area identified by the board surrounding and at least equal in area to the site shall be limited to development consistent with the development plans, land use classifications, and zoning and other official controls applying to the property on February 1, 1983. No development inconsistent with the plans, use classification, controls, and zoning requirements; no transfers or change of use of public land; and no conditional uses may be permitted.* The (MORATORIUM ON CANDIDATE SITES AND BUFFER AREAS) *development limitations* shall extend until (THE BOARD CHOOSES A FINAL CANDIDATE SITE OR FINAL CANDIDATE SITES PURSUANT TO THIS ARTICLE. THE MORATORIUM ON THE FINAL SITES AND BUFFER AREAS SHALL EXTEND UNTIL) six months following final action of the board pursuant to (SECTIONS 115A.18 TO 115A.30. NO DEVELOPMENT SHALL BE ALLOWED TO OCCUR WITHIN A PROPOSED SITE OR BUFFER AREA DURING THE PERIOD OF THE MORATORIUM WITHOUT THE APPROVAL OF THE BOARD) *section 115A.28. No plan, land use classification, official control, or zoning of any political subdivision shall permit or be amended to permit development (WHICH HAS NOT BEEN APPROVED BY THE BOARD) inconsistent with the requirements of this section, nor shall any political subdivision sanction or approve any subdivision, permit, license, or other authorization which would allow development (TO OCCUR WHICH HAS NOT BEEN APPROVED BY THE BOARD. THE BOARD SHALL NOT APPROVE ACTIONS WHICH WOULD JEOPARDIZE THE AVAILABILITY OF A CANDIDATE SITE FOR USE AS A HAZARDOUS WASTE FACILITY. THE BOARD MAY ESTABLISH GUIDELINES FOR REVIEWING REQUESTS FOR APPROVAL UNDER THIS SUBDIVISION. THE GUIDELINES SHALL NOT BE SUBJECT TO THE RULE-MAKING PROVISIONS OF CHAPTER 14. REQUESTS FOR APPROVAL SHALL BE SUBMITTED IN WRITING TO THE CHAIRPERSON OF THE BOARD AND SHALL BE DEEMED TO BE APPROVED BY THE BOARD UNLESS THE CHAIRPERSON OTHERWISE NOTIFIES THE SUBMITTER IN WRITING WITHIN 15 DAYS) inconsistent with the requirements of this section.*

Sec. 17. Minnesota Statutes 1982, section 115A.22, subdivision 1, is amended to read:

Subdivision 1. [GENERAL.] In order systematically to involve those who would be affected most directly by disposal facilities in all decisions leading to their establishment, the board's decisions on reports referred to in subdivision 7, the (PRELIMINARY SPECIFICATIONS) *plan adopted* under section (115A.-23) *115A.11*, and the certification of need required under section 115A.24 shall not be made until after the establishment of local project review committees for each candidate site, with representation on the board, pursuant to this section.

Sec. 18. Minnesota Statutes 1982, section 115A.22, subdivision 3, is amended to read:

Subd. 3. [MEMBERSHIP ON LOCAL COMMITTEES.] (BY APRIL 15, 1982) *Within 60 days following the selection of a candidate site under section 115A.21*, the governor shall appoint the chairperson and members of (EACH) *the* local project review committee, ensuring a balanced representation of all parties with a legitimate and direct interest in the outcome of the project review. The governor shall consult particularly with affected local units of government before selecting members. Members may be added to the local committee from time to time by the governor.

Sec. 19. Minnesota Statutes 1982, section 115A.22, subdivision 4, is amended to read:

Subd. 4. [APPOINTMENT OF TEMPORARY BOARD MEMBERS.] (BY MAY 15, 1982, EACH) *Within 30 days following the appointment of a local project review committee*, the local committee shall select a temporary board member to be added to the board for the purposes of the reports (,) *to be adopted under section 115A.08, the plan to be adopted under section 115A.11, and the need certifications (,) and review of candidate sites conducted under sections 115A.18 to 115A.30. Temporary board members shall not participate or vote in decisions affecting the selection and certification of sites under sections 15 and 115A.21.* If a local committee fails to appoint a temporary board member within (45 DAYS AFTER THE APPOINTMENT OF THE COMMITTEE) *the time permitted by this subdivision*, the governor shall appoint a temporary board member to represent the committee on the board. Temporary board members may be members of the local project review committee, and they shall be residents of the county where the candidate site is located. Temporary board members shall serve for terms lasting (UNTIL THE BOARD HAS TAKEN FINAL ACTION PURSUANT TO SECTION 115A.28 AND) *as long as the location the member represents is a candidate site or, in the case of members representing the site or sites finally chosen for the facility, until the commencement of the operation of the facility at that site.*

Sec. 20. Minnesota Statutes 1982, section 115A.22, subdivision 6, is amended to read:

Subd. 6. [TECHNICAL ASSISTANCE; GRANTS.] To assist local project review committees to participate in the (CERTIFICATION OF NEED AND THE REVIEW PROCESS) *preparation of environmental impact statements and permit applications*, the board through its chairperson shall make grants to the committees to be used to employ staff, pay administrative expenses, or contract with *affected units of government* or qualified consultants. The board through its chairperson shall ensure the delivery to the committees of technical information and assistance by appropriate state agencies.

Sec. 21. Minnesota Statutes 1982, section 115A.22, subdivision 7, is amended to read:

Subd. 7. [HAZARDOUS WASTE MANAGEMENT REPORTS.] The chairperson and the board shall prepare and submit the hazardous waste management reports required by section 115A.08, subdivisions 4 (AND 5) *to 5a*, in consultation with the local project review committees. The chairperson and the board shall request recommendations from the local committees and shall consult with the committees on the board's intended disposition of the recommendations. The reports of the board shall summarize the recommendations of the committees and the board's response to the recommendations. Before submitting the reports, the board shall hold at least one public meeting in each county in which a candidate site is located. A majority of the permanent members shall be present at each meeting. Notice of the meeting shall be published in a newspaper or newspapers of general circulation in the area for two successive weeks ending at least 15 days before the date of the meeting. The notice shall describe the proposed facilities, the proposed location, the purpose of the board's report to the legislature, and the subsequent and related activities of the board.

Sec. 22. Minnesota Statutes 1982, section 115A.24, subdivision 1, is amended to read:

Subdivision 1. [CERTIFICATE.] Except as provided in subdivision 2, (BY DECEMBER 15, 1982,) on the basis of and consistent with its hazardous waste management plan adopted under section 115A.11, the board shall issue a certificate or certificates of need for disposal facilities for hazardous wastes in the state. The certificate or certificates shall indicate the types and volumes of waste for which disposal facilities are and will be needed through the year 2000 and the number, types, (SIZES, GENERAL DESIGN AND OPERATING SPECIFICATIONS) *capacity*, and function or use of the disposal facilities needed in the state. *The board shall not certify need for disposal of hazardous wastes until after the agency promulgates rules pursuant to section 116.41, subdivision 1a. The board shall not certify need*

for disposal of wastes which are prohibited from disposal by agency rule. The board shall certify need only to the extent that the board has determined that there are no feasible and prudent alternatives including waste reduction, separation, pretreatment, processing, and resource recovery which would minimize adverse impact upon natural resources, provided that the board shall require the establishment of at least one commercial disposal facility in the state. Economic considerations alone shall not justify certification nor the rejection of alternatives. Alternatives that are speculative and conjectural shall not be deemed to be feasible and prudent. The board shall consider all technologies being developed in other countries as well as in the United States when it considers the alternatives to hazardous waste disposal. The certificate or certificates shall not be subject to the provisions of chapter 14 but shall be the final determination required on the matters decided by the certificate or certificates and shall have the force and effect of law. The certificate or certificates shall not be amended for five years except as provided in section 34. (THE BOARD AND THE PERMITTING AGENCIES,) In reviewing and selecting sites, completing and determining the adequacy of environmental impact statements, and issuing approvals and permits for waste disposal facilities described in the certificate or certificates of need, (SHALL NOT RECONSIDER) matters determined in the certification shall not be re-considered except as otherwise provided in section 34. The board and the permitting agencies shall be required to make a final decision approving the establishment of facilities consistent with the certification (. THE BOARD AND THE PERMITTING AGENCIES SHALL BE REQUIRED TO MAKE A FINAL DECISION APPROVING THE ESTABLISHMENT OF AT LEAST ONE COMMERCIAL DISPOSAL FACILITY FOR HAZARDOUS WASTE IN THE STATE) except as otherwise provided in section 34.

Sec. 23. [115A.241] [PARTICIPATION BY FACILITY DEVELOPERS AND OPERATORS.]

The board shall solicit the participation of private developers and operators of waste facilities in the evaluation of hazardous waste disposal sites and facility specifications. To qualify for consideration as a developer or operator, a person shall submit a letter of intent to the board within 90 days following the publication of the board's draft plan pursuant to section 115A.08, subdivision 4. To qualify for selection as a developer or operator, a person shall submit operability reports to the board at least 60 days before the board's hearings under section 115A.27. The letters of intent and reports shall be in the form and contain the information deemed appropriate by the board.

Sec. 24. Minnesota Statutes 1982, section 115A.25, subdivision 1, is amended to read:

115A.25 [(AGENCY;) ENVIRONMENTAL REVIEW PROCEDURES.]

Subdivision 1. [ENVIRONMENTAL IMPACT STATEMENT.] (AN) A *phased* environmental impact statement (MEETING THE REQUIREMENTS OF CHAPTER 116D) shall be completed by the *board and the agency* (ON DISPOSAL FACILITIES AT EACH CANDIDATE SITE. THE STATEMENT SHALL BE FINALLY ACCEPTED OR REJECTED WITHIN 120 DAYS FOLLOWING THE ISSUANCE OF A CERTIFICATE OR CERTIFICATES OF NEED UNDER SECTION 115A.24). *The statement must be prepared and reviewed in accordance with chapter 116D and the rules issued pursuant thereto, except as otherwise required by this section and sections 115A.11, 115A.24, 115A.28, and 115A.30. The board and agency shall follow the procedures in subdivisions 2 and 3 in lieu of the scoping requirements of chapter 116D and rules issued pursuant thereto. The statement shall be completed in two phases as provided in sections 25 and 26.*

Sec. 25. Minnesota Statutes 1982, section 115A.25, is amended by adding a subdivision to read:

Subd. 1a. [PHASE I.] Phase I of the statement shall be completed by the board on the environmental effects of the board's decision on sites and facility specifications under section 115A.28. Phase I of the statement shall not address or reconsider alternative sites or facility numbers, types, capacity, function, and use which have been eliminated from consideration by the board's decisions under sections 115A.21 and 115A.24. The determination of the adequacy of phase I of the statement is exclusively the authority of the board. The governor shall establish an interagency advisory group to comment on the scope of phase I of the statement, to review drafts, and to provide technical assistance in the preparation and review of phase I of the statement. The advisory group shall include representatives of the agency, the departments of natural resources, health, agriculture, energy, planning and development, and transportation, and the Minnesota geological survey. In order to obtain the staff assistance necessary to prepare the statement, the chairperson of the board may request reassignment of personnel pursuant to section 16.21 and may arrange to have other agencies prepare parts of the statement pursuant to section 16.135.

Sec. 26. Minnesota Statutes 1982, section 115A.25, is amended by adding a subdivision to read:

Subd. 1b. [PHASE II.] Phase II of the statement shall be completed by the agency as a supplement to phase I specifically for the purpose of examining the environmental effects of the permitting decisions required to be made by the permitting agencies under section 34. In preparing, reviewing, and determining the adequacy of phase II of the statement, the agency shall not repeat or duplicate the research and analysis contained in phase I of the statement, except as the agency determines is necessary to examine the environmental effects of the permitting decisions.

Phase II of the statement shall not address or reconsider alternative sites and facility numbers, types, capacity, function, and use which have been eliminated from consideration by the board's decisions under sections 115A.21, 115A.24, and 115A.28. The determination of adequacy of phase II of the statement must be made by the agency within 180 days following submission of the preliminary permit application or applications under section 34. The determination of the adequacy of phase II of the statement is exclusively the authority of the agency.

Sec. 27. Minnesota Statutes 1982, section 115A.25, subdivision 2, is amended to read:

Subd. 2. [PUBLIC DISCLOSURE.] Before commencing preparation of a *phase* of the environmental impact statement, the *board or agency* shall issue a document summarizing and making full disclosure of the intended objectives and contents of the environmental impact statement and the environmental review. Announcement of the disclosure shall be published in the state register, the *environmental quality board monitor*, and *appropriate newspapers of general distribution*. The disclosure shall:

- (a) identify the candidate sites;
- (b) summarize (PRELIMINARY DESIGN AND OPERATING) *facility* specifications and indicate where and when the specifications are available for inspection;
- (c) describe as fully as possible the object of the review, including the significant actions, issues, alternatives, types of impacts, and compensation and mitigation measures expected to be addressed in the statement; the depth of the analysis expected; and subjects which the statement will not address in depth because they have been disposed of previously or because they are believed to be insignificant or remote and speculative;
- (d) identify, by reference and brief summary, any related planning activities and environmental reviews which have been, are being, or will be conducted, and the substantive, chronological, and procedural relationship between the proposed review and the other activities and reviews;
- (e) identify the membership and address of the local project review committees and the names of the local representatives on the board;
- (f) summarize the comments and suggestions received from the public pursuant to subdivision 3 and the *board's or agency's* response.

Sec. 28. Minnesota Statutes 1982, section 115A.25, subdivision 3, is amended to read:

Subd. 3. [PUBLIC PARTICIPATION PROCEDURES.] The public disclosure document shall be issued following diligent effort to involve the public in determining the objective and contents of the environmental impact statement. At least one public meeting shall be held in each county with a candidate site. The advice of the board, facility developers, state agencies, the local project review committees, and local units of government shall be actively solicited. The *board or agency* may engage the state hearing examiner to conduct meetings and make recommendations concerning the review. Each local project review committee shall present to the *board or agency* a written report summarizing local concerns and attitudes about the proposed action and the specific issues which the local communities and residents wish to see addressed in the environmental review.

Sec. 29. Minnesota Statutes 1982, section 115A.26, is amended to read:

115A.26 [AGENCIES; REPORT ON PERMIT CONDITIONS AND APPLICATION REQUIREMENTS.]

Within (60) *30* days following *the board's* determination of the adequacy of (THE FINAL) *phase I* of the environmental impact statement, and after consulting with the board, facility developers, affected local government units, and the local project review committees, *the chief executive officer of each permitting state agency shall issue (A NOTICE OF INTENT TO ISSUE PERMITS INDICATING,) to the board draft reports on permit conditions and permit application requirements at each candidate site. The reports must indicate, to the extent possible based on existing information, the probable terms, conditions, and requirements of (AGENCY APPROVAL FOR ALL PERMITS NEEDED AT EACH CANDIDATE SITE FOR THE ESTABLISHMENT OF THE FACILITIES DESCRIBED IN THE BOARD'S CERTIFICATION OF NEED) permits and the probable supplementary documentation that will be required for phase II of the environmental impact statement under section 115A.25 and for permit applications under section 34. The reports may be revised following the hearings under section 115A.27 as the chief executive officer deems necessary. The (AGENCY DECISIONS SHALL) reports must be consistent with the establishment of facilities in accordance with the certification of need.*

Sec. 30. Minnesota Statutes 1982, section 115A.27, subdivision 2, is amended to read:

Subd. 2. [BOARD HEARINGS.] Within (90) *120* days following the (ISSUANCE OF AGENCY NOTICE OF INTENT UNDER SECTION 115A.26) *board's determination of*

the adequacy of phase I of the environmental impact statement under section 115A.25, the board shall conduct a hearing in each county containing a candidate site, for the purpose of receiving testimony on the (SITES AND FACILITIES TO BE ESTABLISHED) decisions required under section 115A.28. The hearings shall be ordered by the chairperson of the board (AND SHALL BE CONDUCTED CONCURRENTLY WITH ANY AGENCY HEARING REGARDING THE SITE HELD PURSUANT TO SUBDIVISION 1). The subject of the board hearing shall not extend to matters previously decided in the board's decision on sites under section 115A.21 and the certificate of need issued under section 115A.24. The hearing shall be conducted for the board by the state office of administrative hearings in a manner (DETERMINED BY THE HEARING EXAMINER TO BE) consistent with the completion of the proceedings in the time allowed. The proceedings (SHALL) and the hearing procedures are not (BE DEEMED A) subject to the rule-making or contested case (UNDER) provisions of chapter 14. The hearing officer shall not issue a report but shall preside at the hearings to ensure that the hearings are conducted in a fair, orderly, and expeditious manner and in accordance with the hearing procedures of the board. A majority of the permanent members of the board shall be present at the hearing.

Sec. 31. Minnesota Statutes 1982, section 115A.28, subdivision 1, is amended to read:

115A.28 [FINAL (ACTION) DECISION.]

Subdivision 1. [DECISION OF BOARD.] Within 60 days following (FINAL AGENCY DECISIONS ON PERMITS PURSUANT TO SECTIONS 115A.26 AND 115A.27, SUBDIVISION 1) *the conclusion of the hearings under section 115A.27, subdivision 2, and after consulting with private facility developers, the (AGENCY) permitting agencies, affected local government units, and the local project review committees, the board shall finally select the site or sites for the facilities (AND SHALL SUBMIT OR CAUSE TO BE SUBMITTED FINAL PERMIT APPLICATIONS) and the developer and operator of the facility and shall prescribe further specifications on the number, type, capacity, function, and use of the facilities as the board deems appropriate, consistent with the board's certification of need issued under section 115A.24. If the chairperson of the board determines that an agency (NOTICE OF INTENT) report on permit conditions and application requirements has been substantially revised following hearings held pursuant to section 115A.27, subdivision (1) 2, the chairperson (SHALL) may delay the decision for 30 days and may order a public hearing to receive further testimony on the sites and facilities to be established. The proceeding shall be conducted as provided in section 115A.27, subdivision 2, except that hearings shall not be separately held in the affected counties and the issues relating to all agency (NOTICES) reports shall be considered at one hearing.*

(THE BOARD'S DECISION AND FINAL PERMIT APPLICATIONS SHALL EMBODY ALL TERMS, CONDITIONS, AND REQUIREMENTS OF THE PERMITTING AGENCIES, PROVIDED THAT THE BOARD MAY: (A) FINALLY RESOLVE ANY CONFLICTS BETWEEN STATE AGENCIES REGARDING PERMIT TERMS, CONDITIONS, AND REQUIREMENTS, AND (B) REQUIRE MORE STRINGENT TERMS, CONDITIONS, AND REQUIREMENTS RESPECTING THE FACILITY AS MAY BE CONSISTENT WITH THE CERTIFICATION OF NEED AND THE AGENCY RULES AND PERMIT CONDITIONS. THE BOARD'S RESOLUTION OF CONFLICTS UNDER CLAUSE (A) SHALL BE IN FAVOR OF THE MORE STRINGENT TERMS, CONDITIONS, AND REQUIREMENTS.) The board's decision (AND THE PERMIT APPLICATIONS) shall provide for the establishment of facilities consistent with the board's certification of need.

Sec. 32. Minnesota Statutes 1982, section 115A.28, subdivision 2, is amended to read:

Subd. 2. [BOARD'S DECISION PARAMOUNT.] The board's decision under subdivision 1 shall be final and shall supersede and preempt requirements of state agencies and political subdivisions and the requirements of sections 473H.02 to 473H.17; except that a facility established pursuant to the decision shall be subject to (THOSE) terms, conditions, and requirements *in permits of state or federal permitting agencies (EMBODIED IN THE BOARD'S DECISION), the terms of lease determined by the board under section 115A.06, subdivision 4, and any requirements imposed pursuant to subdivision 3.* (THE PERMITTING AGENCIES SHALL ISSUE PERMITS WITHIN 60 DAYS FOLLOWING AND IN ACCORDANCE WITH THE BOARD'S FINAL DECISION, AND ALL PERMITS SHALL CONFORM TO THE TERMS, CONDITIONS, AND REQUIREMENTS OF THE BOARD'S DECISION.) *Except as otherwise provided in this section, no charter provision, ordinance, regulation, permit, or other requirement of any state agency or political subdivision shall prevent or restrict the establishment, operation, expansion, continuance, or closure of a facility in accordance with the final decision and leases of the board and permits issued (PURSUANT THERETO) by state or federal permitting agencies.*

Sec. 33. Minnesota Statutes 1982, section 115A.28, subdivision 3, is amended to read:

Subd. 3. [LOCAL REQUIREMENTS.] A political subdivision may impose reasonable requirements respecting the construction, inspection, operation, monitoring, and maintenance of a facility. Any such requirements shall be subject to review by the (AGENCY) board to determine their reasonableness and consistency with the establishment and use of a facility in accor-

dance with the final decision *and* lease of the board and by the agency to determine their reasonableness and consistency with permits (ISSUED PURSUANT THERETO) of state and federal permitting agencies. The board or agency may approve, disapprove, suspend, modify, or reverse any such requirements. The decision of the board or agency shall be final.

Sec. 34. [115A.291] [PERMITS.]

Research and analysis necessary to the permit applications and permit decisions required under this chapter, and the supporting environmental study, must commence immediately following the board's decision under section 115A.28. Within 180 days following its final decision under section 115A.28, the board shall submit or cause to be submitted a preliminary application for permits for a facility or facilities consistent with its decision under section 115A.28. Following review by the permitting agencies and within 60 days following the agency's determination of the adequacy of phase II of the environmental impact statement, the board shall revise the application, or cause it to be revised, in accordance with the recommendations of the permitting agencies. In preparing its revised permit application, the board may amend its certification of need issued under section 115A.24 or its facility specifications under section 115A.28, if the board finds and determines, based upon the recommendations of the permitting agencies, that: (a) the amendments are necessary to secure permits for the construction and operation of the proposed facility at the proposed site, and (b) the recommendations and amendments are the result of new information or rules produced after the board's decisions under sections 115A.24 and 115A.28. Within 210 days following the submission of the revised permit application, the permitting agencies shall issue the necessary permits unless the pollution control agency determines that the facility or facilities proposed for permitting present environmental problems which cannot be addressed through the imposition of permit conditions.

Sec. 35. Minnesota Statutes 1982, section 115A.30, is amended to read:

115A.30 [JUDICIAL REVIEW.]

Any civil action maintained by or against the agency or board under sections 115A.18 to 115A.30 shall be brought in the county where the board is located and shall take precedence over all other matters of a civil nature and be expedited to the maximum extent possible. Any person aggrieved by a (FINAL) decision of the board (AUTHORIZING FACILITIES) or an agency under sections 115A.18 to 115A.30 may appeal therefrom (WITHIN 30 DAYS) as provided in chapter 14 *within 30 days following all final decisions on the issuance of permits.* No civil action shall be maintained pursuant to section 116B.03 with respect to conduct taken by a person pursuant to any environmental quality

standard, limitation, regulation, rule, order, license, stipulation agreement or permit issued by the board under sections 115A.18 to 115A.30. Notwithstanding any provision of chapter 116B to the contrary, in any action brought under that chapter with respect to any decision or conduct undertaken by any person or the board or agency pursuant to sections 115A.18 to 115A.30 after the period for appeal under this section has lapsed, the plaintiff shall have the burden of proving that the evidence required under section 116B.10 was not reasonably available within the time provided for appeal. The trial court shall, upon motion of any prevailing non-governmental party, award costs, disbursements, reasonable attorney's fees, and reasonable expert witness fees, if the court finds the action hereunder was commenced or defended in bad faith or was frivolous.

Sec. 36. Minnesota Statutes 1982, section 115A.54, subdivision 2, is amended to read:

Subd. 2. [ADMINISTRATION; ASSURANCE OF FUNDS.] The board shall provide technical and financial assistance for the acquisition and betterment of the facilities and transfer stations from revenues derived from the issuance of bonds authorized by section 115A.58. *Facilities for the incineration of solid waste without resource recovery are eligible for assistance only if the board determines that the project will demonstrate governmental or financial innovations of statewide significance and application.* Of money appropriated for the purposes of the demonstration program, at least 70 percent shall be distributed as loans, and the remainder shall be distributed as grants. An individual project may receive assistance totaling up to 100 percent of the capital cost of the project and grants up to 50 percent of the capital cost of the project. No grant or loan shall be disbursed to any recipient until the board has determined the total estimated capital cost of the project and ascertained that financing of the cost is assured by funds provided by the state, by an agency of the federal government within the amount of funds then appropriated to that agency and allocated by it to projects within the state, by any person, or by the appropriation of proceeds of bonds or other funds of the recipient to a fund for the construction of the project.

Sec. 37. Minnesota Statutes 1982, section 115A.67, is amended to read:

115A.67 [ORGANIZATION OF DISTRICT.]

The governing body of each county wholly or partly within the district shall appoint two persons to serve on the first board of directors of the district, *except that in the case of a district having territory within only two counties each county may appoint three persons. At least one person appointed by each county shall be an elected official of a local government unit having territory within the district.* The first chairperson of the board

of directors shall be appointed *from outside the first board of directors* by the chairperson of the waste management board (AND SHALL BE A LOCAL ELECTED OFFICIAL WITHIN THE DISTRICT). The first chairperson shall serve for a term of two years. Thereafter the chairperson shall be elected from outside the board of directors by majority vote of the board of directors. *Members of the board of directors shall be residents of the district.* The first meeting of the board of directors shall be held at the call of the chairperson, after notice, for the purpose of proposing the bylaws, electing officers and for any other business that comes before the meeting. The bylaws of the district, and amendments thereto, shall be adopted by a majority vote of the board of directors unless the certificate of incorporation requires a greater vote. The bylaws shall state:

(a) the manner and time of calling regular meetings of the representatives and the board of directors, not less than once annually;

(b) the title, manner of selection, and term of office of officers of the district;

(c) the term of office of members of the board of directors, the manner of their removal, and the manner of filling vacancies on the board of directors;

(d) the powers and duties of the board of directors consistent with the order and articles of incorporation establishing the district;

(e) the definition of a quorum for meetings of the board of directors, which shall be not less than a majority of the members;

(f) the compensation and reimbursement for expenses for members of the board of directors, which shall not exceed that provided for in section 15.0575, subdivision 3; and

(g) such other provisions for regulating the affairs of the district as the board of directors shall determine to be necessary.

Sec. 38. Minnesota Statutes 1982, section 115A.70, subdivision 3, is amended to read:

Subd. 3. [EXEMPTION.] (THE DISTRICT SHALL NOT DESIGNATE AND REQUIRE USE OF FACILITIES FOR MATERIALS WHICH ARE BEING SEPARATED FROM SOLID WASTE AND RECOVERED FOR REUSE OR RECYCLING BY THE GENERATOR, BY A PRIVATE PERSON UNDER CONTRACT WITH THE GENERATOR OR BY A LICENSED SOLID WASTE COLLECTOR. THE DISTRICT SHALL NOT DESIGNATE AND REQUIRE USE OF FACILI-

TIES FOR MATERIALS WHICH ARE BEING DELIVERED TO ANOTHER RESOURCE RECOVERY FACILITY) *The designation may not apply to or include:*

(a) *materials which are separated from solid waste and recovered for reuse in their original form or for use in manufacturing processes; or*

(b) *materials other than those described in clause (a) which are being delivered to another resource recovery facility unless the district finds and determines that the required use is consistent with criteria and standards concerning displacement of existing facilities and with the evaluation of resource recovery designation which are required in the solid waste management plan of the district.*

Sec. 39. Minnesota Statutes 1982, section 115A.70, is amended by adding a subdivision to read:

Subd. 7. [RELATIONSHIP TO COUNTY DESIGNATION PROCEDURES.] A district need not repeat the designation procedures set out in subdivision 4 to the extent that these procedures have been completed by each county having territory in the district or by a joint powers board composed of each county having territory in the district. A district need not submit the designation for review pursuant to subdivision 2 if the designation has already been approved under section 115A.071 following submission by each county having territory in the district or by a joint powers board composed of each county having territory in the district.

Sec. 40. Minnesota Statutes 1982, section 116.06, is amended by adding a subdivision to read:

Subd. 9i. "Sludge" means any solid, semi-solid, or liquid waste generated from a municipal, commercial, or industrial waste water treatment plant, water supply treatment plant, or air contaminant treatment facility, or any other waste having similar characteristics and effects.

Sec. 41. Minnesota Statutes 1982, section 116.06, subdivision 13, is amended to read:

Subd. 13. "Hazardous waste" means any refuse, sludge, or (DISCARDED) other waste material or combinations of refuse, sludge or (DISCARDED) other waste materials in solid, semi-solid, liquid, or contained gaseous form which (CANNOT BE HANDLED BY ROUTINE WASTE MANAGEMENT TECHNIQUES) because (THEY) of its quantity, concentration, or chemical, physical, or infectious characteristics may (a) cause or significantly contribute to an increase in mortality or an increase in serious irreversible, or incapacitating reversible illness; or (b) pose a substantial present or potential hazard to human

health or (OTHER LIVING ORGANISMS BECAUSE OF THEIR CHEMICAL, BIOLOGICAL, OR PHYSICAL PROPERTIES) *the environment when improperly treated, stored, transported, or disposed of, or otherwise managed.* Categories of hazardous waste materials include, but are not limited to: explosives, flammables, oxidizers, poisons, irritants, and corrosives. Hazardous waste does not include (SEWAGE SLUDGE AND) source, special nuclear, or by-product material as defined by the Atomic Energy Act of 1954, as amended.

Sec. 42. Minnesota Statutes 1982, section 116.07, subdivision 4, is amended to read:

Subd. 4. [RULES AND STANDARDS.] Pursuant and subject to the provisions of chapter 14, and the provisions hereof, the pollution control agency may adopt, amend and rescind rules and standards having the force of law relating to any purpose within the provisions of Laws 1969, Chapter 1046, for the prevention, abatement, or control of air pollution. Any such rule or standard may be of general application throughout the state, or may be limited as to times, places, circumstances, or conditions in order to make due allowance for variations therein. Without limitation, rules or standards may relate to sources or emissions of air contamination or air pollution, to the quality or composition of such emissions, or to the quality of or composition of the ambient air or outdoor atmosphere or to any other matter relevant to the prevention, abatement, or control of air pollution.

Pursuant and subject to the provisions of chapter 14, and the provisions hereof, the pollution control agency may adopt, amend, and rescind rules and standards having the force of law relating to any purpose within the provisions of Laws 1969, Chapter 1046, for the collection, transportation, storage, processing, and disposal of solid waste and the prevention, abatement, or control of water, air, and land pollution which may be related thereto, and the deposit in or on land of any other material that may tend to cause pollution. The agency shall adopt such rules and standards for sewage sludge, addressing the intrinsic suitability of land, the volume and rate of application of sewage sludge of various degrees of intrinsic hazard, design of facilities, and operation of facilities and sites. The agency shall promulgate temporary rules for sewage sludge pursuant to sections 14.29 to 14.36. Notwithstanding the provisions of sections 14.29 to 14.36, the temporary rules shall be effective until permanent rules are promulgated or March 1, 1982, whichever is earlier. Any such rule or standard may be of general application throughout the state or may be limited as to times, places, circumstances, or conditions in order to make due allowance for variations therein. Without limitation, rules or standards may relate to collection, transportation, processing, disposal, equipment, location, procedures, methods, systems or techniques or to any other matter relevant to the prevention, abatement or

control of water, air, and land pollution which may be advised through the control of collection, transportation, processing, and disposal of solid waste and sewage sludge, and the deposit in or on land of any other material that may tend to cause pollution. By January 1, 1983, the rules for the management of sewage sludge shall include an analysis of the sewage sludge determined by the commissioner of agriculture to be necessary to meet the soil amendment labeling requirements of section 17.716.

Pursuant and subject to the provisions of chapter 14, and the provisions hereof, the pollution control agency may adopt, amend and rescind rules and standards having the force of law relating to any purpose within the provisions of Laws 1971, Chapter 727, for the prevention, abatement, or control of noise pollution. Any such rule or standard may be of general application throughout the state, or may be limited as to times, places, circumstances or conditions in order to make due allowances for variations therein. Without limitation, rules or standards may relate to sources or emissions of noise or noise pollution, to the quality or composition of noises in the natural environment, or to any other matter relevant to the prevention, abatement, or control of noise pollution.

As to any matters subject to this chapter, local units of government may set emission regulations with respect to stationary sources which are more stringent than those set by the pollution control agency.

Pursuant to chapter 14, the pollution control agency may adopt, amend, and rescind rules and standards having the force of law relating to any purpose within the provisions of this chapter for *generators of hazardous waste*, the management, identification, labeling, classification, storage, collection, treatment, transportation, processing, and disposal of hazardous waste and the location of hazardous waste facilities. A rule or standard may be of general application throughout the state or may be limited as to time, places, circumstances, or conditions. (THE PUBLIC UTILITIES COMMISSION, IN COOPERATION WITH THE POLLUTION CONTROL AGENCY, SHALL SET STANDARDS FOR THE TRANSPORTATION OF HAZARDOUS WASTE IN ACCORDANCE WITH CHAPTER 221.) In implementing its hazardous waste rules, the pollution control agency shall give high priority to providing planning and technical assistance to hazardous waste generators. The agency shall assist generators in investigating the availability and feasibility of both interim and long term hazardous waste management methods. The methods shall include waste reduction, waste separation, waste processing, resource recovery, and temporary storage.

The pollution control agency shall give highest priority in the consideration of permits to authorize disposal of diseased shade trees by open burning at designated sites to evidence concerning

economic costs of transportation and disposal of diseased shade trees by alternative methods.

Sec. 43. Minnesota Statutes 1982, section 116.41, subdivision 1a, is amended to read:

Subd. 1a. [HAZARDOUS WASTE CLASSIFICATION.] By (JANUARY 1, 1982) *September 1, 1985*, the agency shall prescribe by rule criteria for excluding types and categories of hazardous wastes from disposal, criteria for accepting types and categories of wastes as suitable for disposal, and minimum pre-treatment standards required as a condition of acceptance for disposal. The criteria and standards shall be based upon the degree of intrinsic hazard of the waste; the availability of conventional processing technologies for reducing, separating, reusing, recycling, and treating the waste; the feasibility and cost of applying the processing technologies in relation to the benefits to be achieved by such application; the class of facility; and other factors deemed relevant by the agency.

Sec. 44. Minnesota Statutes 1982, section 473.149, subdivision 2b, is amended to read:

Subd. 2b. [INVENTORY OF SOLID WASTE DISPOSAL SITES.] By (FEBRUARY 1, 1982) *September 1, 1983*, the council shall adopt by resolution an inventory of eligible solid waste disposal sites and buffer areas within the metropolitan area. The council's inventory shall be composed of the sites and buffer areas proposed by the counties and reviewed and approved by the council pursuant to section 473.803, subdivision 1a. If a county does not have an approved inventory, the council shall adopt the required inventory for the county, following investigations by the council and public hearings as the council deems appropriate. The council's inventory shall satisfy all requirements and standards described in section 473.803, subdivision 1a. for sites and buffer areas proposed by counties. For sites and buffer areas included in the council's inventory, the moratorium imposed under section 473.803, subdivision 1a, shall extend until (OCTOBER 1, 1983) *90 days following the selection of sites pursuant to section 473.833, subdivision 3.*

Sec. 45. Minnesota Statutes 1982, section 473.149, subdivision 2c, is amended to read:

Subd. 2c. [REPORT ON LOCAL EFFECTS OF SOLID WASTE DISPOSAL FACILITIES; REPORT TO LEGISLATURE.] By (AUGUST 15, 1982) *November 1, 1983*, the council shall report to the legislative commission on methods of mitigating and compensating for the local risks, costs, and other adverse effects of solid waste disposal facilities and on methods of financing mitigation and compensation measures. The methods of mitigating and compensating to be considered

shall include but not be limited to the following: payment outside of levy limitations in lieu of taxes for all property taken off the tax rolls; preference for the city or town containing a facility in federal A-95 reviews conducted by the council; payment of all costs to service the facilities including the costs of roads, monitoring, inspection, enforcement, police and fire, and litter clean up costs; payment for buffer zone amenities and improvements; city or town control over buffer zone design; elimination of the tipping charge for solid waste collected in the city or town; a guarantee against any and all liability that may occur; payment for reclamation of closed sites to local design specifications.

Sec. 46. Minnesota Statutes 1982, section 473.149, subdivision 2d, is amended to read:

Subd. 2d. [LAND DISPOSAL ABATEMENT PLAN.] By January 1, (1983) 1984, after considering county land disposal abatement proposals submitted pursuant to section 473.803, subdivision 1b, the council shall amend its policy plan to include specific and quantifiable objectives for abating the land disposal of mixed municipal solid waste. The plan shall 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 objectives in the plan shall be based upon standards for county resource recovery and waste reduction and separation programs and activities. The plan shall include standards and procedures to be used by the council in determining that metropolitan counties have not implemented the council's land disposal abatement plan and have not met the standards for county abatement programs and activities. The council shall report to the legislative commission on its abatement plan and on legislation that may be required to implement the plan.

Sec. 47. Minnesota Statutes 1982, section 473.149, subdivision 2e, is amended to read:

Subd. 2e. [SOLID WASTE DISPOSAL FACILITIES DEVELOPMENT SCHEDULE.] By January 1, (1983) 1984, after requesting and considering recommendations from the counties, cities, and towns, the council as part of its policy plan shall determine the number *and capacity* of sites to be acquired within each metropolitan county for solid waste disposal facilities in accordance with section 473.833. The council shall adopt a schedule for development of disposal facilities by each (SUCH) county through the year 2000. The schedule shall be based upon the council's reduced estimate of the disposal capacity needed because of the council's land disposal abatement plan. *The council may make the implementation of elements of the schedule contingent on actions of the counties in adopting and implementing county abatement plans pursuant to section 473.803, subdivision*

1b; and the council shall review the development schedule at least every two years and shall revise the development schedule as it deems appropriate based on the progress made in the adoption and implementation of the council and county abatement plans. The schedule may include procedures to be used by counties in selecting sites for acquisition pursuant to section 473.833. The schedule shall include standards and procedures for council certification of need pursuant to section 473.823. The schedule shall include a facility closure schedule and plans for post-closure 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 shall also include a closure schedule and plans for post-closure management for facilities in existence (PRIOR TO JANUARY 1, 1983) before the adoption of the development schedule.

Sec. 48. Minnesota Statutes 1982, section 473.149, subdivision 4, is amended to read:

Subd. 4. [ADVISORY COMMITTEE.] The council shall establish an advisory committee to aid in the preparation of the policy plan, the performance of the council's responsibilities under subdivisions 2 to 2e, the review of county master plans and reports and applications for permits for waste facilities, under sections 473.151 and 473.801 to 473.823 and sections 473.827, 473.831 and 473.833, and other duties determined by the council. The committee shall consist of one-third citizen representatives, one-third representatives from metropolitan counties and municipalities, and one-third representatives from private waste management firms. From (OCTOBER 1, 1981 TO JANUARY 1, 1983) *at least the date that the council adopts the inventory under subdivision 2b to the date that the council adopts a development schedule under subdivision 2e*, for the purpose only of participating in the preparation of the legislative report required by subdivision 2c (AND), the land disposal abatement plan required by subdivision 2d, *and the development schedule required by subdivision 2e* additional members shall be included on the advisory committee sufficient to assure that at least one-third of the members of the committee are residents of cities or towns containing eligible solid waste disposal sites included in the council's disposal site inventory, and that counties containing three sites have at least two additional members and counties containing one or two sites have at least one additional member. A representative from the pollution control agency, one from the waste management board established under section 115A.04, and one from the Minnesota health department shall serve as ex officio members of the committee.

Sec. 49. Minnesota Statutes 1982, section 473.153, subdivision 2, is amended to read:

Subd. 2. [CANDIDATE SITE SELECTION.] (BY DECEMBER 15, 1981,) The council shall select (SIX) candidate sites for the disposal of the commission's sewage sludge and solid waste, together with appropriate surrounding buffer areas. *The council shall select at least four candidate sites by September 1, 1983.* The council shall evaluate sites for candidacy on the basis of at least the following factors: local land use and land use controls, the protection of agriculture and natural resources, existing and future development patterns, transportation facilities, distance from the points of generation, and the intrinsic suitability of sites compared with other potential sites. Notwithstanding any plan, charter provision, law, ordinance, regulation, or other requirement of the council, counties, or local units of government, no land shall be excluded from consideration for candidacy except land determined by the agency to be intrinsically unsuitable. No site shall be selected for candidacy unless the agency certifies its intrinsic suitability for the use intended, based on preliminary environmental analysis and on-site surveys and investigations conducted by the council. The council shall provide to the agency data relating to the intrinsic suitability of the sites to be proposed as candidate sites as soon as available (BUT NO LATER THAN AUGUST 15, 1981). (BY SEPTEMBER 1, 1981,) The council shall propose at least six locations as candidate sites and the director of the agency shall issue a notice indicating which of those sites the director recommends be certified as intrinsically suitable. The director shall publish notice of a consolidated hearing on the recommendation. Notice shall be published in the state register and newspapers of general circulation in the metropolitan area and shall be sent by mail to local government units containing a proposed candidate site. The hearing shall be conducted by the state office of administrative hearings in a manner consistent with the completion of the proceedings and the hearing examiner's report to the agency in the time allowed by this section. The hearing shall afford all interested persons an opportunity to testify and present evidence on the subject of the hearing. The subject of the hearing shall be limited to information submitted by the council and additional information on the proposed sites which is relevant to the agency's decision on intrinsic suitability. The rulemaking and contested case procedures of chapter 14 shall not apply to this hearing. The report of the hearing examiner shall contain findings of fact, conclusions, and recommendations on the subject of the hearing. The agency shall make a final determination as to the intrinsic suitability of each proposed site and shall certify them accordingly (BY DECEMBER 1, 1981) *within 90 days of the council's proposal of a site.* The agency shall not be required to promulgate rules pursuant to chapter 14 on criteria and standards to govern its certification of intrinsic suitability under this section. No action of the agency shall be held invalid by reason of the agency's failure to notify any of the entities listed in this subdivision. In selecting candidate sites, the council shall prefer land which is capable of being returned to its existing use or the use anticipated in a plan of

a metropolitan agency, county, or local unit of government use after closure of a disposal facility.

Sec. 50 Minnesota Statutes 1982, section 473.153, subdivision 5, is amended to read:

Subd. 5. [ENVIRONMENTAL (AND PERMIT) REVIEW.] An environmental impact statement (MEETING THE REQUIREMENTS OF CHAPTER 116D SHALL) *must* be completed on (EACH CANDIDATE SITE, PROVIDED THAT) *the environmental effects of the council's decisions required by subdivision 6.* The statement (SHALL) *must* be (FINALLY ACCEPTED OR REJECTED WITHIN 280 DAYS OF THE SELECTION OF CANDIDATE SITES. WITHIN 90 DAYS FOLLOWING THE ACCEPTANCE OF THE STATEMENT, THE AGENCY SHALL INDICATE THE CONDITIONS AND TERMS OF APPROVAL OF ALL PERMITS NEEDED AT EACH CANDIDATE SITE) *prepared and reviewed in accordance with chapter 116D and the rules issued pursuant thereto, except as otherwise required by this section. The statement must not address or reconsider alternatives eliminated from consideration pursuant to subdivisions 1 and 2 and must not address the matters to be decided by the council pursuant to subdivision 6b.*

Sec. 51. Minnesota Statutes 1982, section 473.153, is amended by adding a subdivision to read:

Subd. 5a. [AGENCIES; REPORT ON PERMIT CONDITIONS AND APPLICATION REQUIREMENTS.] *Within 30 days following the council's determination of adequacy pursuant to subdivision 5, the chief executive officer of each permitting state agency shall issue to the council reports on permit conditions and permit application requirements at each candidate site. The reports must indicate, to the extent possible based on existing information, the probable terms, conditions, and requirements of permits and the probable supplementary documentation that will be required for permit applications. The reports must be consistent with the establishment of facilities in accordance with the requirements of this section, must not address or reconsider alternatives eliminated from consideration under subdivisions 1 and 2, and must not address the matters to be decided by the council pursuant to subdivision 6b.*

Sec. 52. Minnesota Statutes 1982, section 473.153, subdivision 6, is amended to read:

Subd. 6. [COUNCIL SITE SELECTION.] *Within 90 days following the (AGENCY'S DECISION ON PERMIT CONDITIONS AND TERMS) determination of adequacy, the council shall select at least one of the candidate sites for acquisition and development by the commission. Before its selection the council*

shall consult with the advisory committee and affected counties, cities, and towns.

Sec. 53. Minnesota Statutes 1982, section 473.153, subdivision 6b, is amended to read:

Subd. 6b. [CERTIFICATION OF NEED.] No new facility for disposing of (SLUDGE,) ash (,) and other waste generated by the commission shall be permitted in the metropolitan area without a certification of need issued by the council indicating the council's determination:

(a) that the disposal of waste with concentrations of hazardous materials is necessary; and

(b) that the additional *ash* disposal capacity planned for the facility is needed.

The council shall certify need only to the extent that there are no feasible and prudent methods of reducing the concentrations of hazardous materials in the waste and no feasible and prudent alternatives to the *ash* disposal facility, *including large-scale composting and co-composting of sludge*, which would minimize adverse impact upon natural resources. Methods and 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 methods or alternatives, *including large-scale composting and co-composting of sludge as an alternative to incineration. In its certification the council shall not consider alternatives which have been eliminated from consideration by the selection of sites pursuant to subdivisions 2 and 6.*

Sec. 54. Minnesota Statutes 1982, section 473.153, is amended by adding a subdivision to read:

Subd. 6c. [CERTIFICATION OF NEED; RESTRICTION.] *No certification of need may be issued by the council pursuant to subdivision 6b until the report required by this subdivision is submitted to the legislative commission on waste management. The council shall submit the report by January 1, 1984. The report shall evaluate the potential of large-scale sewage sludge composting and co-composting to reduce the need for sewage sludge incineration, sewage sludge ash disposal, and mixed municipal solid waste land disposal; recommend institutional arrangements necessary for the implementation of large-scale sewage sludge composting and co-composting; and compare the costs and benefits of composting and co-composting with the costs, including costs already incurred, and the benefits of incineration.*

Sec. 55. Minnesota Statutes 1982, section 473.803, subdivision 1a, is amended to read:

Subd. 1a. [PROPOSED INVENTORY OF DISPOSAL SITES.] By October 15, 1981, each county shall adopt, by resolution of its governing body, an inventory of four proposed sites in the county suitable for mixed municipal solid waste disposal facilities (AND ONE PROPOSED SITE IN THE COUNTY SUITABLE FOR THE DISPOSAL OF DEMOLITION DEBRIS) and shall submit the inventory to the council for approval or disapproval. The council shall evaluate and approve or disapprove each proposed site in accordance with the standards set out in this subdivision. Except as otherwise provided in this subdivision, each site shall satisfy the standards and criteria in federal and state regulations and the council's policy plan for solid waste management. In proposing and approving sites for the inventory, the counties and the council shall prefer land which is capable of being returned to its existing use or the use anticipated in a plan of a metropolitan agency, county, or local unit of government use after closure of a disposal facility. Each site shall contain no less than 80 acres and no more than 250 acres. Each proposed site shall be surrounded by a buffer area at least equal to the area of the site. No site shall be adopted by a county or the council as part of an inventory unless the agency certifies its intrinsic suitability for the use intended, based on preliminary environmental analysis and on site surveys and investigations conducted by the county. Notwithstanding any plan, charter provision, law, ordinance, regulation, or other requirement of any state agency or political subdivision, no land shall be excluded from consideration for inclusion in the inventory except land determined by the agency to be intrinsically unsuitable. Each county shall provide to the agency data relating to the intrinsic suitability of the sites to be proposed for the inventory as soon as available (BUT NO LATER THAN JUNE 15, 1981). By July 1, 1981 each county shall propose at least the number of sites required for the inventory, and the director of the agency shall issue a notice indicating which of those sites the director recommends be certified as intrinsically suitable. Notice of hearings on the director's recommendation shall be published in the state register and newspapers of general circulation in the metropolitan area and shall be sent by mail to the metropolitan council and local government units containing a proposed inventory site. A hearing shall be held in each metropolitan county and shall be conducted by the state office of administrative hearings in a manner consistent with the completion of the proceedings and the hearing examiner's report to the agency in the time allowed by this section. The hearing shall afford all interested persons an opportunity to testify and present evidence on the subject of the hearing. The subject of the hearing shall be limited to information submitted by the county and additional information on the proposed sites which is relevant to the agency's decision

on intrinsic suitability. The rulemaking and contested case procedures of chapter 14 shall not apply to this hearing. The report of the hearing examiner shall contain findings of fact, conclusions, and recommendations on the subject of the hearing. The agency shall make a final determination as to the intrinsic suitability of each proposed site and shall certify them accordingly (BY OCTOBER 1, 1981) *within 90 days of the county's proposal of a site*. The agency shall not be required to promulgate rules pursuant to chapter 15 on criteria and standards to govern its certification of intrinsic suitability under this section. No action of the agency shall be held invalid by reason of the agency's failure to notify any of the entities listed in this subdivision. The council shall evaluate each site with respect to local land use and land use controls, the protection of agriculture and natural resources, existing and future development patterns, transportation facilities and other services and facilities appropriate to land disposal facilities, the quality of other potential sites, and patterns of generation of solid waste. The council shall notify a county of any site proposed by the county which the council disapproves and shall allow the county 60 days to propose an alternative site. If the county fails to propose an alternative acceptable to the council in the time allowed, the council shall propose a site acceptable to it for inclusion in the inventory of sites in that county. If in the council's judgment a county does not contain the requisite number of satisfactory sites, the council may reduce the number of sites required of that county. In order to permit the comparative evaluation of sites and the participation of affected localities in decisions about the use of sites, a moratorium is hereby imposed as provided in this subdivision on development within the area of each site and buffer area proposed by a county, pending the council's adoption of an inventory pursuant to section 473.149, subdivision 2b. For sites and buffer areas included in the council's inventory, the moratorium shall extend until (OCTOBER 1, 1983) *90 days following the selection of sites pursuant to section 473.833, subdivision 3*, except that the council may at any time, with the approval of the county in which the site is located, abrogate the application of the moratorium to a specific site or sites or buffer areas. No development shall be allowed to occur within the area of a site or buffer area during the period of the moratorium without the approval of the council. No county, city, or town land use control shall permit development which has not been approved by the council, nor shall any county, city, or town sanction or approve any subdivision, permit, license, or other authorization which would allow development to occur which has not been approved by the council. The council shall not approve actions which would jeopardize the availability of a site for use as a solid waste facility. The council may establish guidelines for reviewing requests for approval under this subdivision. Requests for approval shall be submitted in writing to the chairman of the council and shall be deemed to be approved by the council unless the chairman otherwise notifies the submitter in writing within 15 days.

Sec. 56. Minnesota Statutes 1982, section 473.803, subdivision 1b, is amended to read:

Subd. 1b. [LAND DISPOSAL ABATEMENT.] By April 1, 1982, after considering the council's disposal abatement report submitted to the counties pursuant to section 473.149, subdivision 2a, each county shall submit to the council a proposal to reduce to the greatest feasible and prudent extent the need for and practice of land disposal of mixed municipal solid waste. The proposal shall address at least waste reduction, separation, and resource recovery. The proposal shall include objectives, immediately and over specified time periods, for reducing the land disposal of mixed municipal solid waste generated within the county. The proposal shall describe specific functions to be performed and activities to be undertaken by the county and cities and towns within the county to achieve the objectives and shall describe the estimated cost, proposed manner of financing, and timing of the functions and activities. The proposal shall include alternatives which could be used to achieve the objectives if the proposed functions and activities are not established. (BY JUNE 1, 1983,) Each county shall revise its master plan to include a land disposal abatement element to implement the council's land disposal abatement plan adopted under section 473.149, subdivision 2d, and shall submit the revised plan to the council for review under subdivision 2 *within nine months after the adoption of the council's abatement plan*. The proposal and master plan revision required by this subdivision shall be prepared in consultation with cities and towns within the county, particularly the cities and towns in which a solid waste disposal facility is or may be located pursuant to the county master plan.

Sec. 57. Minnesota Statutes 1982, section 473.823, subdivision 6, is amended to read:

Subd. 6. [COUNCIL; CERTIFICATION OF NEED.] No new mixed municipal solid waste disposal facility 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. The standards and procedures shall be based on the council's disposal abatement plan adopted pursuant to section 473.149, subdivision 2d, and the abatement master plans of counties adopted pursuant to section 473.803, subdivision 1b. 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.

Sec. 58. Minnesota Statutes 1982, 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 (PURSUANT TO SECTION 473.833,) by the council, for the purposes provided in subdivision 1 and to make grants to metropolitan counties to pay the cost of the *environmental review of sites and the acquisition of all property or interests in property for solid waste disposal sites and surrounding buffer areas required to be acquired by the county, pursuant to section 473.833, by the council's policy plan and development schedule adopted pursuant to section 473.149, subdivision 2e.* If the council is required by law or regulation 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. 59. Minnesota Statutes 1982, section 473.833, subdivision 2a, is amended to read:

Subd. 2a. [ENVIRONMENTAL (ANALYSIS) IMPACT STATEMENT.] (BY JANUARY 1, 1983,) Each metropolitan county shall complete an (ANALYSIS COMPARING) *environmental impact statement on the environmental effects of (SOLID WASTE DISPOSAL FACILITIES AT THE SITES IN THE COUNTY WHICH ARE INCLUDED IN THE METROPOLITAN INVENTORY OF SOLID WASTE DISPOSAL SITES ADOPTED BY THE METROPOLITAN COUNCIL PURSUANT TO SECTION 473.149, SUBDIVISION 2B) the decision required by subdivision 3.* The (ANALYSIS) statement shall be (IN DETAIL SUFFICIENT, IN THE JUDGMENT OF THE COUNTY BOARD, TO INFORM ADEQUATELY THE COUNTY SITE SELECTION AUTHORITY ESTABLISHED UNDER SUBDIVISION 3 OF THE ENVIRONMENTAL EFFECTS OF FACILITIES AT SITES WITHIN THE COUNTY AND TO ASSURE THAT FACILITIES AT THE SITES CAN REASONABLY BE EXPECTED TO QUALIFY FOR PERMITS IN ACCORDANCE WITH THE RULES OF THE AGENCY) *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 of this section. The pollution control agency and the council shall assist and advise counties in the scoping decision and the preparation notice.

Sec. 60. Minnesota Statutes 1982, section 473.833, is amended by adding a subdivision to read:

Subd. 2b. [AGENCIES; COUNCIL; REPORT ON PERMIT CONDITIONS AND APPLICATION REQUIREMENTS.] *Within 30 days following the county's determination of adequacy under subdivision 2a, the chief executive officer of the metropolitan council and each permitting state agency shall issue to the county reports on permit conditions and permit application requirements at each site in the county. The reports must indicate, to the extent possible based on existing information, the probable terms, conditions, and requirements of permits and the probable supplementary documentation and environmental review that will be required for permit applications pursuant to chapter 116 and section 473.823. The reports must be consistent with the establishment of facilities in accordance with the requirements of the council's development schedule adopted under section 473.149, subdivision 2e, 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.*

Sec. 61. Minnesota Statutes 1982, section 473.833, subdivision 3, is amended to read:

Subd. 3. [COUNTY SITE SELECTION AUTHORITIES.] Each metropolitan county shall establish a site selection authority. (BY JUNE 1, 1983) *Within 90 days following the county's determination of adequacy under subdivision 2a, each site selection authority shall select specific sites within the county from the council's disposal site inventory, in accordance with the procedures established by the council under section 473.149, subdivision 2e, and in a number and capacity equal to that required by the council to be acquired by the county. Each site selection authority shall be composed of the county board, plus one member appointed by the governing body of each city or town within the county containing a site in the council's disposal site inventory or the majority of the land contained within such a site. If the number of members on the site selection authority who reside in a city or town containing all or part of a site or buffer area is equal to or greater than the number of members who do not,*

the chairman of the county board shall appoint to the authority an additional member or members, residing within the county but not within a city or town containing all or part of a site or buffer area, sufficient to assure a majority of one on the authority of members residing in cities and towns not containing all or any part of a site or buffer area. The chairman of the county board shall be the chairman of the site selection authority. If a site selection authority has not selected the requisite number and capacity of sites in accordance with the council's standards, criteria, and procedures (BY JUNE 1, 1983) *within the time allowed by this subdivision*, the council shall make the selection. *A county may not be required to develop a solid waste disposal facility at a site selected pursuant to this subdivision in a municipality in which a mixed municipal solid waste resource recovery facility is located unless the council determines that the capacity and number of disposal facilities required by the development schedule for that county cannot be provided in that county without development of the disposal facility.*

Sec. 62. Minnesota Statutes 1982, section 473.833, subdivision 7, is amended to read:

Subd. 7. [FAILURE OF COUNTIES TO ACQUIRE; REPORT TO LEGISLATURE.] If any county fails to identify property for acquisition or (IF ANY COUNTY REFUSES) to proceed with *environmental analysis and acquisition*, as required by this section and the council's disposal facility development schedule adopted pursuant to section 473.149, subdivision 2e, the council shall prepare and recommend (TO THE LEGISLATURE, NO LATER THAN JANUARY 1, 1984,) legislation to transfer solid waste management authority and responsibility in the metropolitan area from the counties to the waste control commission or a new metropolitan commission established for that purpose.

Sec. 63. [SLUDGE INCINERATION.]

The metropolitan waste control commission established by section 473.503 may not acquire or expand additional incineration facilities, or plan or undertake studies for such acquisition and expansion, until the report required by section 55 is submitted.

Sec. 64. [REPEALER.]

Minnesota Statutes 1982, sections 115A.23; 115A.27, subdivision 1; 116.07, subdivision 4c; and 116.41, subdivision 1, are repealed.

Sec. 65. [APPLICATION.]

Sections 44 to 63 are effective in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 66. [EFFECTIVE DATE.]

Sections 1 to 65 are effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to waste management; amending the Waste Management Act of 1980; providing for the evaluation of bedrock disposal of hazardous waste; providing for participation by private developers and operators of waste facilities in the evaluation of hazardous waste disposal sites; creating phases of environmental impact statements; expanding the definition of hazardous waste; extending the deadlines for the adoption of certain hazardous waste rules; extending certain deadlines of the metropolitan council; clarifying the contents of environmental impact statements; providing reports to counties on permit conditions and permit application requirements for county sites; amending Minnesota Statutes 1982, sections 115.071, subdivisions 2 and 3, and by adding subdivisions; 115A.03, subdivision 10; 115A.05, subdivisions 2 and 3; 115A.06, subdivision 4; 115A.08, subdivisions 4, 5, and 6; 115A.10; 115A.11, subdivisions 1 and 2; 115A.21; 115A.22, subdivisions 1, 3, 4, 6, and 7; 115A.24, subdivision 1; 115A.25, subdivisions 1, 2, 3, and by adding subdivisions; 115A.26; 115A.27, subdivision 2; 115A.28, subdivisions 1, 2, and 3; 115A.30; 115A.54, subdivision 2; 115A.67; 115A.70, subdivision 3, and by adding a subdivision; 116.06, subdivision 13, and by adding a subdivision; 116.07, subdivision 4; 116.41, subdivision 1a; 473.149, subdivisions 2b, 2c, 2d, 2e, and 4; 473.153, subdivisions 2, 5, 6, 6b, and by adding subdivisions; 473.803, subdivisions 1a and 1b; 473.823, subdivision 6; 473.831, subdivision 2; 473.833, subdivisions 2a, 3, 7, and by adding a subdivision; proposing new law coded in chapter 115A; repealing Minnesota Statutes 1982, sections 115A.23; 115A.27, subdivision 1; 116.07, subdivision 4c; and 116.41, subdivision 1."

The motion prevailed and the amendment was adopted.

Long moved to amend S. F. No. 1012, as amended, as follows:

Page 15, after line 16, insert:

"Within 15 days following the hearing the director of the agency shall issue a hazardous waste pollution control report. The report must be submitted to the legislative commission. The report must be based on existing and proposed federal and state pollution control rules and available information and expertise on the character, nature, and degree of hazard of the types and categories of hazardous waste identified in the plan. The report must:

(a) assess the pollution control problems and risks associated with each type and category of hazardous waste identified.

by the draft certification of need as eligible for disposal, before or after pretreatment, at a facility or facilities of the type and design selected by the board, and identify design and pretreatment alternatives or other methods for dealing with those problems and risks;

(b) identify at least one specific alternative technology for dealing with each waste which the report recommends should not be certified for disposal, and assess the pollution control problems and risks associated with the alternatives;

(c) assess the pollution control problems and risks associated with each standard and criteria contained in the plan and certification for determining the eligibility or ineligibility of waste for disposal;

(d) assess the pollution control problems and risks associated with the processing and other alternatives to disposal which are recommended in the plan for specific types or categories of hazardous waste, and identify methods for dealing with those problems and risks."

Page 15, line 20, after "hearing" insert "and to the agency's report"

Page 22, lines 30 to 34, delete the new language and insert "Before finally adopting the certificate of need the board shall submit it to the agency for a revision of the hazardous waste pollution control report required under section 115A.11, subdivision 2."

Page 27, line 26, after "permits" insert ", including the types and categories of waste eligible for disposal with or without pretreatment,"

Page 38, delete lines 19 to 33

Renumber sections in sequence and correct internal references

Page 54, line 17, after "116.41," delete "subdivision" and insert "subdivisions"

Page 54, line 18, after "1" insert "and 1a"

Amend the title as follows:

Page 55, line 35, delete "subdivision 1" and insert "subdivisions 1 and 1a"

The motion prevailed and the amendment was adopted.

Long moved to amend S. F. No. 1012, as amended, as follows:

Page 4, line 17, after "*felony*" delete "*and may be sentenced to*" and insert "*. Punishment shall be by a fine of not more than \$25,000 per day of violation or by*"

Page 4, line 18, delete everything after "*years*"

Page 4, line 19, delete "\$25,000" and insert ", or both"

Page 5, after line 36, insert:

"Sec. 6. Minnesota Statutes 1982, section 115A.03, is amended by adding a subdivision to read:

Subd. 28a. "Retrievable storage" means a method of disposal whereby wastes are placed in a facility established pursuant to sections 115A.18 to 115A.30 for an indeterminate period in a manner designed to allow the removal of the waste at a later time."

Renumber sections in sequence and correct internal references

Page 8, line 34, strike "; DRAFT"

Page 8, line 35, strike everything before the period

Page 8, line 36, after "shall" insert "*issue a*"

Page 9, line 1, strike "to the legislative commission"

Page 10, line 2, after "*disposal*" insert "*or processing*"

Page 10, lines 6 to 12, delete the new language and strike the existing statutory language

Page 10, line 18, after "shall" insert "*issue a*"

Page 10, line 18, strike "to the legislative"

Page 10, line 19, strike "commission"

Page 10, after line 33, insert:

"Sec. 12. Minnesota Statutes 1982, section 115A.08, subdivision 5a, is amended to read:

Subd. 5a. [REPORT ON ASSURANCE OF SECURITY OF HAZARDOUS WASTE FACILITIES.] With the report required by subdivision 5, the board through its chairperson shall

issue a report and make recommendations (TO THE LEGISLATIVE COMMISSION) on methods of assuring the security of commercial hazardous waste facilities. The report and recommendations shall be based on the need to assure: effective monitoring and enforcement during operations; effective containment, control, and corrective action in any emergency situation; financial responsibility of the owner and operator throughout the operating life of the facility, using performance bonds, insurance, escrow accounts, or other means; proper closure; financial responsibility after closure; and perpetual post-closure monitoring and maintenance. The report shall include recommendations on the source of funds, including operator contributions, fee surcharges, taxes, and other sources; the amount of funds; effective protection and guarantee of funds; administration; regulatory and permit requirements; the role of local authorities; and other similar matters."

Renumber the sections in sequence and correct internal references

Page 11, line 32, after the period insert "*Copies of the reports must be submitted to the legislative commission on waste management.*"

Page 13, line 33, delete the comma

Page 14, line 25, delete "*Within 30 days*"

Page 14, line 25, strike "following"

Page 14, strike line 26

Page 14, line 27, strike "under section 115A.08, subdivision 4," and insert "*By November 1, 1983, the board through its chairperson shall issue a draft hazardous waste management plan proposed for adoption pursuant to this section, and a draft certificate or certificates of need proposed for issuance under section 115A.24. The draft plan and certificates must include an explanation of the basis of the findings, conclusions, and recommendations contained therein.*"

Page 14, line 29, delete "*submitted with*"

Page 14, line 29, strike "the report" and insert "*within 30 days of their issuance*"

Page 15, line 17, before "*Following*" insert "*Within 30 days*"

Page 15, line 17, before "plan" insert "*draft*"

Page 15, line 17, after the last "the" insert "*draft*"

Page 15, line 21, strike "finally"

Page 15, strike lines 22 and 23

Page 15, line 24, strike "115A.24" and insert "*submit to the legislative commission the revised draft plan and certification of need, together with a report on the testimony received, the board's response, and the results of the hearing process*"

Page 15, line 35, after "the" insert "*preparation of the draft*"

Page 15, line 36, delete "*submitted to the commission*" and insert "*issued*"

Page 15, line 36, delete "115A.08,"

Page 16, line 1, delete "*subdivision 4*" and insert "115A.11"

Page 21, line 2, delete "*adopted*" and insert "*issued*"

Page 25, line 21, delete "*except as*" and insert "*provided that*"

Page 25, after line 21, insert "*may require additional information if the agency*"

Page 25, line 22, delete "*is necessary*" and insert "*that the information available is not adequate*"

Page 31, line 29, restore the stricken language

Page 31, line 29, after "days" insert "*following all final decisions on the issuance of permits. Any appeal shall be conducted as a review of the administrative record*"

Page 31, line 30, after "as provided in" strike the old language and delete the new language

Page 31, line 31, delete the new language and insert "*sections 14.63 to 14.70*"

Page 34, line 25, delete "*delivered to*" and insert "*used at*"

Page 54, line 14, delete "55" and insert "54"

Amend the title as follows:

Page 55, line 4, delete "providing for"

Page 55, delete lines 5 to 14

Page 55, line 15, delete "county sites" and insert "changing various definitions; adding definitions; altering various provisions, procedures, and requirements relating to the responsibilities of the waste management board, pollution control agency, metropolitan agencies, counties, and waste management districts; changing various dates and deadlines; altering environmental review procedures for waste facilities; providing criminal and civil penalties for violations; requiring various reports from the pollution control agency"

Page 55, line 17, after "10" insert ", and by adding a subdivision"

Page 55, line 19, after "5," insert "5a,"

The motion prevailed and the amendment was adopted.

Long moved to amend S. F. No. 1012, as amended, as follows:

Page 39, line 14, strike "moratorium" and insert "*development limitation*"

Page 48, line 19, before "In" insert:

"*Subd. 1aa.* [DEVELOPMENT LIMITATION; COUNCIL APPROVAL REQUIRED.]"

Page 48, line 22, strike "moratorium" and insert "*metropolitan development limitation*"

Page 48, line 27, strike "moratorium" and insert "*limitation*"

Page 48, line 31, strike "moratorium" and insert "*limitation*"

Page 48, line 34, strike "moratorium" and insert "*metropolitan development limitation*"

Page 50, after line 4, insert:

"Sec. 57. Minnesota Statutes 1982, section 473.811, subdivision 1a, is amended to read:

Subd. 1a. [RIGHT OF ACCESS.] Whenever the county, or county site selection authority or any person acting on behalf of either, 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."

Renumber sections in sequence and correct internal references

Page 53, after line 27, insert "*having a capacity greater than 400 tons per day*"

Page 53, line 30, delete "*for*" and insert "*in*"

Amend the title as follows:

Page 55, line 30, after "1b" insert ", and by adding a subdivision; 473.811, subdivision 1a"

The motion prevailed and the amendment was adopted.

Nelson, D., moved to amend S. F. No. 1012, as amended, as follows:

Page 52, line 23, after the period insert "*A report may recommend that a site should be dropped from consideration because of information in the environmental impact statement showing that the site is environmentally unsuitable for land disposal and unlikely to qualify for permits.*"

The motion prevailed and the amendment was adopted.

Nelson, D., moved to amend S. F. No. 1012, as amended, as follows:

Page 38, after line 18, insert:

"Sec. 43. Minnesota Statutes 1982, section 116.07, is amended by adding a subdivision to read:

Subd. 4d. [PROTECTED AREAS; PERMITS PROHIBITED.] The agency may not grant a permit for a new facility for the land disposal of solid or hazardous waste or sewage sludge if the facility or its buffer area is or will be within one-fourth mile of the following protected areas:

(a) *an area designated as part of the wild and scenic river system under the federal Wild and Scenic Rivers Act, as provided in United States Code, title 16, sections 1271 to 1287, as amended through December 31, 1982; or*

(b) an area designated as part of the wild, scenic, and recreational river system under sections 104.25 or 104.31 to 104.40.

Any decision of the agency certifying the intrinsic suitability of sites pursuant to sections 115A.21, 473.153, and 473.803 which is inconsistent with the requirements of this section is rescinded."

Renumber sections in sequence and correct internal references

Amend the title as follows:

Page 55, line 27, after "4" insert ", and by adding a subdivision"

A roll call was requested and properly seconded.

Vanasek moved to amend the Nelson, D., amendment to S. F. No. 1012, as follows:

Page 1, after line 21, insert:

"(c) an area containing a wood lot larger than 40 acres that has never been cut."

The motion prevailed and the amendment to the amendment was adopted.

The question recurred on the Nelson, D., amendment, as amended, and the roll was called.

Eken moved that those not voting be excused from voting. The motion prevailed.

There were 45 yeas and 67 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Fjoslien	Kvam	Quist	Shaver
Beard	Frerichs	Ludeman	Redalen	Thiede
Bennett	Heinitz	McDonald	Reif	Vanasek
Brinkman	Himle	Nelson, D.	Riveness	Voss
Coleman	Hokr	Neuenschwander	Rodosovich	Waltman
Dempsey	Jacobs	Omann	Rose	Welker
DenOuden	Jennings	Onnen	Schafer	Welle
Dimler	Jensen	Pauly	Schoenfeld	Wenzel
Findlay	Johnson	Quinn	Seaberg	Wigley

Those who voted in the negative were:

Battaglia	Bishop	Burger	Clark, J.	Eken
Begich	Blatz	Carlson, D.	Clark, K.	Elioff
Berkelman	Brandl	Carlson, L.	Cohen	Ellingson

Erickson	Knickerbocker	Nelson, K.	Rodriguez, F.	Staten
Forsythe	Kostohryz	Norton	St. Onge	Swanson
Graba	Krueger	O'Connor	Scheid	Tunheim
Greenfield	Long	Ogren	Schreiber	Uphus
Gruenes	Mann	Osthoff	Segal	Valan
Gustafson	Marsh	Otis	Shea	Vellenga
Gutknecht	McEachern	Peterson	Sherman	Wynia
Haukoos	McKasy	Piepho	Simoneau	Speaker Sieben
Hoberg	Metzen	Piper	Skoglund	
Hoffman	Minne	Price	Sparby	
Kahn	Murphy	Rodriguez, C.	Stadum	

The motion did not prevail and the amendment, as amended, was not adopted.

CALL OF THE HOUSE LIFTED

Eken moved that the call of the House be dispensed with. The motion prevailed and it was so ordered.

Wigley was excused for the remainder of today's session.

Nelson, D., moved to amend S. F. No. 1012, as amended, as follows:

Page 39, line 7, after "inventory" insert "*by June 1, 1983,*"

Page 39, line 7, after "shall" insert "*proceed to*"

The motion prevailed and the amendment was adopted.

Nelson, D., moved to amend S. F. No. 1012, as amended, as follows:

Page 39, line 28, after "following:" insert "*compensation to landowners for damages resulting from the selection of a site for the inventory of sites or for development as a facility,*"

Page 50, line 32, delete "subdivision 2,"

Page 50, after line 32, insert:

"473.831 [DEBT OBLIGATIONS; SOLID WASTE DISPOSAL.]

Subdivision 1. [GENERAL OBLIGATION BONDS.] The council may by resolution authorize the issuance of general obligation bonds of the council to provide funds for the environmental analysis and acquisition of *permanent or temporary right, title, or interest in real property, including easements and development rights*, for sites and surrounding buffer areas for (DEVELOPMENT AS) solid waste disposal facilities pursuant to this section and section 473.833 and to provide funds for re-funding obligations issued under this section. The bonds shall

be sold, issued, and secured in the manner provided in chapter 475 for general obligation bonds, and the council shall have the same power and duties as a municipality and its governing body in issuing bonds under chapter 475, except as otherwise provided in this chapter. No election shall be required, and the net debt limitations in chapter 475 shall not apply. The council shall have the power to levy ad valorem taxes for debt service of the council's solid waste bonds upon all taxable property within the metropolitan area, without limitation of rate or amount and without affecting the amount or rate of taxes which may be levied by the council for other purposes or by any local government unit in the area. Each of the county auditors shall annually assess and extend upon the tax rolls in his county the portion of the taxes levied by the council in each year which is certified to him by the council. The principal amount of bonds issued pursuant to this section shall not exceed \$15,000,000."

Page 51, line 1, after "sites" insert "*the acquisition of development rights for all or part of the period that the development limitation imposed by section 473.803 is in effect,*"

The motion prevailed and the amendment was adopted.

Sparby and Tunheim moved to amend S. F. No. 1012, as amended, as follows:

Page 14, line 11, strike "not".

Page 14, line 12, before the period insert "*or provisions submitted for review and found necessary by the legislative commission on administrative rules*"

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

Piper moved to amend S. F. No. 1012, as amended, as follows:

Page 54, after line 14, insert:

"Sec. 64. Laws 1980, chapter 449, section 3, is amended to read:

Sec. 3. The city, by resolution of the city council, may borrow for the payment of capital costs of the system, may establish and collect from all public and private persons, *including persons operating waste collection and delivery services*, charges for the use (AND) or availability of the facilities of the system (, AND). *The city may establish charges, and* may levy special assessments upon properties deemed to be specially benefited by particular facilities, in the (SAME) manner and to the (SAME) extent and with the (SAME) force and effect as provided in the case of sewage treatment and disposal systems in Minnesota Statutes, Sec-

tions 115.46 and 444.075, and Chapter 429, as far as practicable. Charges for availability of facilities may be established on any equitable basis including the cost of furnishing the facilities. An election shall not be required upon the issuance of general obligation bonds or the incurring of any lease or purchase obligation for this purpose except as provided in section 4, and the bonds or other obligations shall not be included in computing the net debt of the city within the meaning of Minnesota Statutes, Chapter 475, but all special assessments levied for improvements to the system and all net revenues derived from charges for the use and availability of the system, in excess of current operating costs, shall be pledged for the payment of the bonds or obligations and interest, and the city council shall endeavor to establish and collect charges sufficient to provide net revenues, with collections of special assessments, at least equal to the total debt service."

Page 54, line 23, delete "65" and insert "66"

Renumber the sections in sequence

Amend the title as follows:

Page 55, line 32, after the semicolon, insert "amending Laws 1980, chapter 449, section 3;"

The motion prevailed and the amendment was adopted.

McDonald moved to amend S. F. No. 1012, as amended, as follows:

Page 30, line 26, before "The decision", insert "*Except as otherwise provided in this subdivision,*"

Page 30, after line 26, insert:

"Notwithstanding any provision to the contrary, no candidate site shall be permitted for land disposal prior to review and ratification by any watershed district or surface water management organization established under Minnesota Statutes, Chapter 112 which has jurisdiction over an area proposed as a site for a land disposal facility. Candidate sites located within the hydrologic boundaries of watersheds not governed by a watershed district or surface water management organization established prior to July 1, 1986, shall not be subject to the review and ratification process."

A roll call was requested and properly seconded.

The question was taken on the amendment and the roll was called. There were 38 yeas and 74 nays as follows:

Those who voted in the affirmative were:

Blatz	Gutknecht	Kvam	Rodosovich	Valan
Dempsey	Haukoos	Ludeman	Rodriguez, C.	Vanasek
DenOuden	Heinitz	McDonald	Schafer	Waltman
Dimler	Himle	McKasy	Shaver	Welker
Evans	Hokr	Omamn	Solberg	Wenzel
Findlay	Jennings	Piepho	Sviggum	Zaffke
Fjoslien	Jensen	Redalen	Thiede	
Graba	Johnson	Reif	Uphus	

Those who voted in the negative were:

Anderson, G.	Clawson	Knickerbocker	Onnen	Schreiber
Anderson, R.	Cohen	Kostohryz	Osthoff	Seaberg
Battaglia	Coleman	Krueger	Otis	Sherman
Beard	Eken	Larsen	Peterson	Skoglund
Begich	Elioff	Long	Piper	Sparby
Bennett	Ellingson	Mann	Price	Staten
Bergstrom	Forsythe	McEachern	Quinn	Swanson
Berkelman	Greenfield	Metzen	Rice	Tomlinson
Brandl	Gruenes	Minne	Riveness	Valento
Brinkman	Gustafson	Munger	Rodriguez, F.	Veilenga
Burger	Hoberg	Murphy	Rose	Voss
Carlson, D.	Jacobs	Nelson, D.	St. Onge	Welle
Carlson, L.	Kahn	Neuenschwander	Sarna	Wynia
Clark, J.	Kalis	O'Connor	Schcid	Speaker Sieben
Clark, K.	Kelly	Ogren	Schoenfeld	

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

McDonald moved to amend S. F. No. 1012, as amended, as follows:

Page 31, after line 19, insert:

"No site shall be permitted for land disposal if the proposed facility is to be located within five miles of any commercial processor or producer of food for human or animal consumption, unless that processor or producer draws water from a source other than an aquifer underlying the proposed facility."

A roll call was requested and properly seconded.

The Speaker called Wynia to the Chair.

The question was taken on the amendment and the roll was called. There were 45 yeas and 70 nays as follows:

Those who voted in the affirmative were:

Bennett	Forsythe	Hoberg	Ludeman	Olsen
Burger	Frerichs	Jennings	Marsh	Omamn
DenOuden	Gutknecht	Jensen	McDonald	Pauly
Dimler	Haukoos	Johnson	McKasy	Quinn
Findlay	Heinitz	Kvam	Metzen	Redalen
Fjoslien	Himle	Levi	O'Connor	Reif

Rodosovich	Schreiber	Sviggum	Valan	Welker
Schafer	Shaver	Thiede	Vanasek	Wenzel
Schoenfeld	Stadum	Uphus	Waltman	Zaffke

Those who voted in the negative were:

Anderson, R.	Coleman	Kostohryz	Osthoff	Sherman
Battaglia	Dempsey	Krueger	Otis	Skoglund
Beard	Eken	Larsen	Peterson	Solberg
Begich	Elioff	Long	Piper	Sparby
Bishop	Ellingson	Mann	Price	Staten
Blatz	Evans	McEachern	Quist	Swanson
Brandl	Graba	Minne	Rice	Tomlinson
Brinkman	Greenfield	Muhnger	Rodriguez, C.	Tunheim
Carlson, D.	Gruenes	Murphy	Rodriguez, F.	Valento
Carlson, L.	Gustafson	Nelson, D.	Rose	Vellenga
Clark, J.	Jacobs	Neuenschwander	St. Onge	Voss
Clark, K.	Kahn	Norton	Scheid	Welle
Clawson	Kelly	Ogren	Seaberg	Wynia
Cohen	Knickerbocker	Onnen	Segal	Speaker Sieben

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

McDonald moved to amend S. F. No. 1012, as amended, as follows:

Page 31, after line 19, insert:

"No site shall be permitted for land disposal if the proposed facility is to be located within two miles of any water designated as "public" under the inventory performed pursuant to section 105.391, unless the agency receives clear and convincing evidence that the facility possesses the capacity to permanently isolate from the biosphere any wastes accepted for disposal."

A roll call was requested and properly seconded.

The question was taken on the amendment and the roll was called. There were 63 yeas and 64 nays as follows:

Those who voted in the affirmative were:

Bennett	Gruenes	Levi	Quinn	Stadum
Bishop	Gutknecht	Ludeman	Quist	Sviggum
Blatz	Haukoos	Marsh	Redalen	Thiede
Brinkman	Heap	McDonald	Reif	Tunheim
Burger	Heinitz	McKasy	Rodosovich	Uphus
Dempsey	Himle	Metzen	Rose	Valan
DenOuden	Hoberg	Neuenschwander	Schafer	Vanasek
Dimler	Hokr	O'Connor	Schoenfeld	Waltman
Erickson	Jennings	Olsen	Schreiber	Welker
Findlay	Jensen	Omann	Seaberg	Wenzel
Fjoslien	Johnson	Onnen	Shaver	Zaffke
Forsythe	Knickerbocker	Pauly	Sherman	
Frerichs	Kvam	Piepho	Sparby	

Those who voted in the negative were:

Anderson, G.	Coleman	Kostohryz	Osthoff	Shea
Anderson, R.	Eken	Krueger	Otis	Simoneau
Battaglia	Elioff	Larsen	Peterson	Skoglund
Beard	Ellingson	Long	Piper	Solberg
Begich	Evans	Mann	Price	Staten
Bergstrom	Graba	McEachern	Rice	Swanson
Berkelman	Greenfield	Minne	Riveness	Tomlinson
Brandl	Gustafson	Munger	Rodriguez, C.	Vellenga
Carlson, D.	Hoffman	Murphy	Rodriguez, F.	Voss
Carlson, L.	Jacobs	Nelson, D.	St. Onge	Welle
Clark, J.	Kahn	Nelson, K.	Sarna	Wynia
Clark, K.	Kalis	Norton	Scheid	Speaker Sieben
Cohen	Kelly	Ogren	Segal	

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

Rose and Pauly moved to amend S. F. No. 1012, as amended, as follows:

Page 31, after line 19, insert:

"No site shall be permitted for land disposal if the proposed facility is to be located directly above an area where the glacial drift lies in contact with the following aquifers: Hinkley, Dresbach, St. Laurence, Jordan, Prairie du Chien, St. Peter, Galena."

A roll call was requested and properly seconded.

The Speaker resumed the Chair.

The question was taken on the amendment and the roll was called. There were 57 yeas and 57 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Findlay	Jensen	Piepho	Shea
Bennett	Fjoslien	Johnson	Quinn	Sherman
Bergstrom	Forsythe	Knickerbocker	Quist	Sviggum
Blatz	Gruenes	Kvam	Redalen	Thiede
Brinkman	Gutknecht	Ludeman	Reif	Uphus
Burger	Haukoos	Marsh	Rodosovich	Vanasek
Clawson	Heap	McDonald	Rose	Waltman
Dempsey	Heinitz	McKasy	Schafer	Welker
DenOuden	Himle	Neuenschwander	Schoenfeld	Zaffke
Dimler	Hoberg	Olsen	Schreiber	
Erickson	Hokr	Onnen	Seaberg	
Evans	Jennings	Pauly	Shaver	

Those who voted in the negative were:

Anderson, G.	Carlson, D.	Eken	Hoffman	Krueger
Battaglia	Carlson, L.	Elioff	Kahn	Larsen
Beard	Clark, J.	Ellingson	Kalis	Long
Begich	Cohen	Graba	Kelly	Mann
Brandl	Coleman	Greenfield	Kostohryz	Minne

Murphy	Otis	St. Onge	Sparby	Welle
Nelson, D.	Peterson	Sarna	Staten	Wenzel
Nelson, K.	Piper	Scheid	Swanson	Wynia
Norton	Price	Segal	Tomlinson	Speaker Sieben
Ogren	Rice	Simoneau	Tunheim	
Omamm	Riveness	Skoglund	Voss	
Osthoff	Rodriguez, F.	Solberg	Welch	

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

McDonald moved to amend S. F. No. 1012, as amended, as follows:

Page 14, after line 19, insert:

“Sec. . [SITE SELECTION MORATORIUM.]

Subdivision 1. Notwithstanding any other provisions of this act or of Minnesota Statutes, chapter 115A, the board and the pollution control agency shall discontinue their actions related to site testing for hazardous waste disposal facilities until after the board adopts the hazardous waste management plan required by Minnesota Statutes, section 115A.11.

Subd. 2. The moratorium imposed by this section shall not apply to section 13 of this act, or to any actions which are undertaken in pursuit of alternative solutions to land disposal of hazardous wastes, or to site selection procedures carried out in relation to sites located wholly on land in public ownership.”

A roll call was requested and properly seconded.

The question was taken on the amendment and the roll was called. There were 34 yeas and 79 nays as follows:

Those who voted in the affirmative were:

Blatz	Fjoslien	Johnson	Omamm	Shaver
Burger	Forsythe	Knickerbocker	Pauly	Thiede
Dempsey	Culknecht	Kvam	Quinn	Uphus
DenOuden	Haukoos	Levi	Redalen	Waltman
Dimler	Hcap	Ludeman	Reif	Welker
Erickson	Jennings	McDonald	Schafer	Zaffke
Findlay	Jensen	McKasy	Seaberg	

Those who voted in the negative were:

Anderson, G.	Brandl	Coleman	Hoffman	Long
Anderson, R.	Brinkman	Eken	Jacobs	Mann
Battaglia	Carlson, D.	Elioff	Kahn	McEachern
Beard	Carlson, L.	Ellingson	Kalis	Metzen
Begich	Clark, J.	Evans	Kelly	Minne
Bennett	Clark, K.	Graba	Kostohryz	Munger
Bergstrom	Clawson	Greenfield	Krueger	Murphy
Berkelman	Cohen	Gustafson	Larsen	Nelson, D.

Nelson, K.	Peterson	Rose	Simoncau	Valento
Norton	Piper	St. Onge	Skoglund	Vellenga
O'Connor	Price	Sarna	Solberg	Voss
Ogren	Quist	Scheid	Sparby	Welch
Olsen	Ricc	Schoenfeld	Staten	Welle
Onnen	Rodosovich	Segal	Swanson	Wenzel
Osthoff	Rodriguez, C.	Shea	Tomlinson	Speaker Sieben
Otis	Rodriguez, F.	Sherman	Tunheim	

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

McDonald moved to amend S. F. No. 1012, as amended, as follows:

Page 7, after line 12, insert:

"Subd. 4. [ACQUISITION OF SITES FOR HAZARDOUS WASTE FACILITIES.] The board may direct the commissioner of administration to acquire by purchase, lease, (CONDEMNATION,) gifts or grant, any permanent or temporary right, title, and interest in and to real property, including positive and negative easements and water, air, and development rights, for sites and buffer areas surrounding sites for hazardous waste facilities approved by the board pursuant to sections 115A.18 to 115A.30 and 115A.32 to 115A.39. The board may also direct the commissioner of administration to acquire by purchase, lease, gift or grant, development rights for sites and buffer areas surrounding sites for all or part of the period that the development (MORATORIUM) limitations imposed by section 115A.21, subdivision 3, (IS) are in effect. Money for the acquisition of any real property and interest in real property pursuant to this subdivision shall come from the issuance of state waste management bonds in accordance with sections 115A.57 to 115A.59. The property shall be leased *in accordance with terms determined by the board* to the owner and operator of the hazardous waste facility located thereon at a rate sufficient to pay debt service on the bonds which provided funds used to acquire the property and to evaluate the eligibility of the property for inclusion in the inventory under section 115A.09 or candidacy under sections 115A.18 to 115A.30. Any local government unit and the commissioners of transportation, natural resources, and administration may convey or allow the use of any property for such sites and areas, subject to the rights of the holders of any bonds issued with respect thereto, with or without compensation and without an election or approval by any other government agency. Land owned by the state may be exchanged for land not owned by the state for the purpose of providing a site and buffer area for a commercial hazardous waste facility, in accordance with the provisions of section 94.341 to 94.347 and other law. The commissioner of administration may hold the property for the purposes for which it was acquired, and may lease, rent, or dispose of the property so far as not needed for such purposes, upon the terms and in the manner the commissioner deems advisable. (THE RIGHT TO ACQUIRE LANDS AND PROPERTY RIGHTS BY

CONDEMNATION SHALL BE EXERCISED IN ACCORDANCE WITH CHAPTER 117. THE COMMISSIONER OF ADMINISTRATION MAY TAKE POSSESSION OF ANY PROPERTY FOR WHICH CONDEMNATION PROCEEDINGS HAVE BEEN COMMENCED AT ANY TIME AFTER THE ISSUANCE OF A COURT ORDER APPOINTING COMMISSIONERS FOR ITS CONDEMNATION. WHERE THE PROPERTY IS ACQUIRED THROUGH EMINENT DOMAIN PROCEEDINGS, THE LAND OWNER'S COMPENSATION SHALL BE THE FAIR MARKET VALUE OF THE PROPERTY.) Where the property is acquired (BY MEANS OTHER THAN THROUGH EMINENT DOMAIN PROCEEDINGS, AS BY DIRECT PURCHASE OR GIFT), the land owner's compensation shall be determined by the agreement of the parties involved. (AN AWARD OF COMPENSATION IN A CONDEMNATION PROCEEDING SHALL NOT BE INCREASED OR DECREASED BY REASON OF ANY INCREASE OR DECREASE IN THE VALUE OF THE PROPERTY CAUSED BY ITS DESIGNATION IN THE INVENTORY OF PREFERRED AREAS UNDER SECTION 115A.09 OR AS A CANDIDATE SITE UNDER SECTIONS 115A.18 TO 115A.30 OR ITS SELECTION AS A SITE OR BUFFER AREA.)"

Page 7, delete lines 13 to 36

Page 8, delete lines 1 to 31

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

Marsh and Gruenes moved to amend S. F. No. 1012, as amended, as follows:

Pages 15 and 16, delete section 15

A roll call was requested and properly seconded.

The question was taken on the amendment and the roll was called. There were 35 yeas and 76 nays as follows:

Those who voted in the affirmative were:

Bergstrom	Dimler	Heap	Marsh	Shaver
Bishop	Findlay	Heinitz	McKasy	Sherman
Blatz	Fjoslien	Himle	Omann	Sviggum
Brinkman	Forsythe	Jennings	Pauly	Uphus
Burger	Gruenes	Johnson	Piepho	Waltman
Dempsey	Gutknecht	Knickerbocker	Reif	Welker
DenOuden	Haukoos	Ludeman	Schafer	Zaffke

Those who voted in the negative were:

Anderson, R.	Battaglia	Beard	Begich	Bennett
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Berkelman	Gustafson	Munger	Riveness	Swanson
Brandl	Hoffman	Murphy	Rodosovich	Tomlinson
Carlson, D.	Jacobs	Nelson, D.	Rodriguez, C.	Tunheim
Carlson, L.	Jensen	Nelson, K.	Rodriguez, F.	Vanasek
Clark, J.	Kahn	Neuenschwander	Rose	Velienga
Clark, K.	Kalis	Norton	St. Onge	Voss
Clawson	Kelly	O'Connor	Sarna	Welch
Cohen	Krueger	Ogren	Scheid	Welle
Coleman	Kvam	Onnen	Schoenfeld	Wenzel
Eken	Larsen	Osthoff	Segal	Wynia
Elioff	Levi	Otis	Shea	Speaker Sieben
Ellingson	Long	Peterson	Skoglund	
Evans	Mann	Piper	Soiberg	
Graba	Metzen	Price	Sparby	
Greenfield	Minne	Quist	Staten	

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

Valento moved to amend S. F. No. 1012, as amended, as follows:

Page 54, after line 14, insert:

"Sec. 61. Laws 1980, chapter 449, section 1, is amended to read:

Section 1. The city of Austin, in Mower County, may construct, install, maintain, and operate a system and program or any part of a system and program for the collection, removal, intermediate processing or compacting, and storage of solid waste from public and private property, its transportation to intermediate or final disposal facilities, and its ultimate disposal. The system may include any vehicles, equipment, machinery, incinerators, plants, structures, and other real and personal property within or outside the city which is used or deemed useful for purposes of the program. Property may be acquired by purchase, gift, grant, condemnation pursuant to Minnesota Statutes, Chapter 117 (including taking of possession upon appointment of commissioners), lease, lease purchase, conditional sale, contract for deed, or otherwise. The city council may by ordinance establish regulations for the program and for the operation and use of the system, including but not limited to the collection of solid waste by city employees or by other persons under license, the conditions, if any, of preparation of particular waste for disposal and the times, manner, and places of collection and delivery, *except that this chapter shall not apply to any solid waste destined for delivery to a resource recovery facility.*"

Renumber the sections in sequence

Amend the title as follows:

Page 55, line 33, after the semicolon, insert "amending Laws 1980, chapter 449, section 1;"

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

Hoffman, Levi and Price moved to amend S. F. No. 1012, as amended, as follows:

Page 54, after line 14, insert:

"Sec. 64. [COUNTY FINANCING OF FACILITIES.]

The counties of Washington and Ramsey, separately or jointly, may, by resolution, authorize the issuance of bonds or other obligations, including initial obligations in an amount not to exceed an aggregate amount of \$4 million issued to finance solely preliminary costs such as site acquisition and preparations and legal, engineering, financial, and planning services, to provide funds to acquire or better solid waste and related facilities, including transmission facilities and property or property rights for a solid waste or related facility, or to refund any outstanding obligations issued for that purpose.

Any later formation of a solid waste management district under Minnesota Statutes, chapter 115A, or contemplated sale or lease of any of the facilities or their work product to a private person, after the county or solid waste management district has incurred the costs of the facilities or work product, shall not restrict or limit the use of the proceeds of the bonds or other obligations.

The county may pledge to the payment of the obligations and the interest on them,

- (a) its full faith, credit, and taxing powers;*
- (b) the proceeds of any designated tax levies;*
- (c) the gross or net revenues or charges to be derived from any facility operated by or for the county;*
- (d) the proceeds of any anticipating refunding obligations, state or federal loan or grant, or any sale of the facilities or their work product;*
- (e) any other funds of the county; or*
- (f) any combination of the foregoing.*

Taxes levied for the payment of the obligations 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 when due and to pay the cost of interest accruing on the obligations before six months after the date the facilities are first placed in service.

Revenue bonds issued pursuant to this section may be sold at public or private sale upon the conditions the county board shall determine, but any bonds to which the full faith and credit and taxing powers of the county are pledged shall be sold in accordance with Minnesota Statutes, chapter 475. No election shall be required to authorize the issuance of the obligations, and the debt limitations of chapter 475 or other law shall not apply to the obligations. The obligations may mature at a time or times, and in amounts, as the county board determines.

The county may covenant to refund, to the extent necessary, any temporary obligations with a term of no more than four years, in which event the tax which would otherwise be required by section 475.61, subdivision 1, need not be required. The interest rate on temporary obligations may be fixed at the time of sale or be adjusted from time to time based on an index related to the cost of borrowing, and the price at which the temporary obligations may be sold may be at any amount determined most favorable by the county board, but the resulting composite interest rate may not exceed the rate permitted under section 475.55.

Except as provided in this section, the obligations shall be issued and sold in accordance with chapter 475.

Sec. 65. [DISTRICT FORMATION.]

Notwithstanding any contrary provisions of Minnesota Statutes, section 115A.63, subdivision 3, or other law, Ramsey and Washington counties, before establishing a waste management district solely within their boundaries, need not demonstrate that they are unable to fulfill the purposes of a district through joint action under Minnesota Statutes, section 471.59.

Sec. 66. [POWERS ADDITIONAL AND SUPPLEMENTAL.]

The powers conferred by sections 64 and 65 are in addition and supplemental to the powers conferred by any other law or charter. Insofar as any other law or charter is inconsistent with sections 64 and 65, the provisions of sections 64 and 65 control as to facilities authorized under those sections."

Renumber the sections in sequence

Page 54, line 23, delete "65" and insert "63, 67 and 68"

Page 54, line 24, after the period, insert "Sections 64 to 66 are effective the day after compliance with Minnesota Statutes, section 645.021, subdivision 3, by the governing bodies of both Ramsey and Washington counties."

Amend the title as follows :

Page 55, line 15, after the semicolon, insert "authorizing issuance of bonds by Washington and Ramsey counties for a solid waste facility;"

A roll call was requested and properly seconded.

The question was taken on the amendment and the roll was called. There were 76 yeas and 39 nays as follows :

Those who voted in the affirmative were :

Anderson, R.	Ellingson	Kahn	Piper	Solberg
Battaglia	Evans	Kelly	Price	Sparby
Beard	Fjoslien	Kostohryz	Quist	Staten
Begich	Forsythe	Krueger	Reif	Thiede
Bennett	Graba	Larsen	Rice	Tomlinson
Bergstrom	Gruenes	Levi	Riveness	Tunheim
Bishop	Haukoos	Long	Rodriguez, C.	Valento
Blatz	Heap	McDonald	Rodriguez, F.	Vellenga
Brinkman	Heinitz	McKasy	Schafer	Waltman
Burger	Himle	Murphy	Scheid	Welle
Carlson, D.	Hoberg	Nelson, D.	Schoenfeld	Wenzel
Cohen	Hoffman	Neuenschwander	Schreiber	Zaffke
Coleman	Hokr	Ogren	Segal	
Dempsey	Jennings	Onnen	Shaver	
Eken	Jensen	Pauly	Shea	
Elioff	Johnson	Piepho	Sherman	

Those who voted in the negative were :

Anderson, G.	Frerichs	McEachern	Peterson	Sviggum
Brandl	Greenfield	Metzen	Redalen	Swanson
Carlson, L.	Kalis	Minne	Rodosovich	Vanasek
Clark, J.	Knickerbocker	Nelson, K.	Rose	Welch
Clawson	Kvam	O'Connor	St. Onge	Welker
DenOuden	Ludeman	Olsen	Sarna	Wynia
Dimler	Mann	Omamn	Simoneau	Speaker Sieben
Erickson	Marsh	Otis	Skoglund	

The motion prevailed and the amendment was adopted.

S. F. No. 1012, A bill for an act relating to waste management; amending the Waste Management Act of 1980; providing for the evaluation of bedrock disposal of hazardous waste; providing for participation by private developers and operators of waste facilities in the evaluation of hazardous waste disposal sites; creating phases of environmental impact statements; expanding the definition of hazardous waste; extending the deadlines for the adoption of certain hazardous waste rules; extending certain deadlines of the metropolitan council; clarifying the contents

of environmental impact statements; providing reports to counties on permit conditions and permit application requirements for county sites; authorizing issuance of bonds by Washington and Ramsey counties for a solid waste facility; amending Minnesota Statutes 1982, sections 115.071, subdivision 3; 115A.03, subdivision 10; 115A.05, subdivisions 2 and 3; 115A.06, subdivision 4; 115A.08, subdivisions 4, 5, and 6; 115A.10; 115A.11, subdivisions 1 and 2; 115A.21; 115A.22, subdivisions 1, 3, 4, 6, and 7; 115A.24, subdivision 1; 115A.25, subdivisions 1, 2, 3, and by adding subdivisions; 115A.26; 115A.27, subdivision 2; 115A.28, subdivisions 1, 2, and 3; 115A.30; 115A.54, subdivision 2; 115A.67; 115A.70, subdivision 3; 116.06, subdivision 13, and by adding a subdivision; 116.07, subdivision 4; 116.41, subdivision 1a; 473.149, subdivisions 2b, 2c, 2d, 2e, and 4; 473.153, subdivisions 2, 5, 6, 6b, and by adding a subdivision; 473.803, subdivisions 1a and 1b; 473.823, subdivision 6; 473.831, subdivision 2; 473.833, subdivisions 2a, 3, 7, and by adding a subdivision; proposing new law coded in Minnesota Statutes, chapter 115A; repealing Minnesota Statutes 1982, sections 115A.23; 115A.27, subdivision 1; 116.07, subdivision 4c; and 116.41, 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 110 yeas and 16 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Evans	Levi	Peterson	Sherman
Battaglia	Findlay	Long	Piepho	Simoneau
Beard	Fjoslien	Mann	Piper	Skoglund
Begich	Forsythe	McDonald	Price	Solberg
Bennett	Graba	McEachern	Quist	Sparby
Bergstrom	Greenfield	McKasy	Redalen	Staten
Berkelman	Gruenes	Metzen	Reif	Sviggum
Bishop	Gustafson	Minne	Rice	Swanson
Blätz	Gutknecht	Munger	Riveness	Thiede
Brandl	Heap	Murphy	Rodosovich	Tomlinson
Brinkman	Himle	Nelson, D.	Rodriguez, C.	Tunheim
Burger	Hoberg	Nelson, K.	Rodriguez, F.	Valan
Carlson, D.	Hoffman	Neuenschwander	Rose	Valento
Carlson, L.	Jacobs	Norton	St. Onge	Vanasek
Clark, J.	Jensen	O'Connor	Sarna	Vellenga
Clawson	Johnson	Ogren	Scheid	Voss
Cohen	Kahn	Olsen	Schoenfeld	Waltman
Coleman	Kelly	Omann	Schreiber	Weich
Dimler	Knickerbocker	Onnen	Seaberg	Welle
Eken	Kostohryz	Osthoff	Segal	Wenzel
Elioff	Krueger	Otis	Shaver	Wynia
Ellingson	Larsen	Pauly	Shea	Speaker Sieben

Those who voted in the negative were:

Anderson, G.	DenOuden	Frerichs	Heinitz	Kvam
Dempsey	Erickson	Haukoos	Jennings	Ludeman

Marsh
Quinn

Schafer

Uphus

Welker

Zaffke

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

There being no objection the remaining bills on Special Orders for today were continued one day.

GENERAL ORDERS

There being no objection the bills on General Orders for today were continued one day.

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 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. 1283, A bill for an act relating to the organization and operation of state government; appropriating money for education and related purposes to the department of education, higher education coordinating board, state university board, state community college board, University of Minnesota, and the Mayo medical foundation, with certain conditions; establishing a state board of vocational technical education; providing it and certain independent and intermediate school districts operating vocational technical schools with certain powers and duties; changing the authority and duties of the above named agencies, or one or more of them, or certain of their advisory councils with respect to governance, duration of existence, disposition of property, employment and compensation of personnel, tuition, institutional closings, gifts, appropriations, parking fees, scholarships, grants-in-aid, planning, hospital charges, and related educational matters; amending Minnesota Statutes 1982, sections 43A.18, subdivision 4; 120.17, subdivision 7a; 121.212, subdivision 2; 121.931, subdivision 7; 121.934, subdivision 2; 123.742, by adding a subdivision; 123.743; 124.48; 125.05, by adding a subdivision; 136.03; 136.034; 136.11, subdivision 1; 136.144; 136.62, by adding a subdivision; 136.63, subdivision 1a; 136.67, by adding a subdivision; 136A.121; 136A.14; 136A.141; 136A.143; 136A.15; 136A.16; 136A.17; 136A.26; 136A.29, subdivisions 2

and 9; 136A.42; and 158.05; proposing new law coded in Minnesota Statutes, chapters 136 and 136A; proposing new law coded as Minnesota Statutes, chapter 135A; and 136C; repealing Minnesota Statutes 1982, sections 121.11, subdivision 1; 121.217; 121.902, subdivision 1a; 121.936, subdivision 6; 124.53; 136A.144; 136A.145; 136A.146; 136A.161; 136A.18; 136A.19; 136A.20; 136A.21; and 136A.22.

The Senate has appointed as such committee Messrs. Waldorf, Nelson, Dicklich, Hughes and Taylor.

Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce the following change in the membership of the Conference Committee on House File No. 653:

H. F. No. 653, A bill for an act relating to elections; making numerous procedural changes in the election law; removing or clarifying obsolete and inappropriate language; rearranging certain provisions; amending Minnesota Statutes 1982, sections 201.061, subdivision 3; 203B.11; 203B.12, subdivision 2; 204B.31; 204B.33; 204B.36, subdivision 2; 204C.03, subdivision 1; 204C.10, subdivision 1; 204C.12, subdivisions 3 and 4; 204C.24, subdivision 1; 204C.25; 204C.35; 204D.11, subdivision 5; 204D.13, subdivision 3; 205.17, subdivisions 3 and 4; 206.11; 206.19, subdivision 1; 210A.39; proposing new law coded in Minnesota Statutes, chapter 204C; repealing Minnesota Statutes 1982, section 204B.06, subdivision 3.

The name of Mr. Luther has been stricken and the name of Ms. Peterson, D. C., has been added. The name of Mr. Peterson, D. L., has been stricken and the name of Mr. Johnson, D. E., has been added.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce that the Senate refuses to concur in the House amendment to:

S. F. No. 473, A bill for an act relating to traffic regulations; removing restrictions on use at trial of an accused's refusal to take a chemical test; providing that a suspect be informed that refusal to take a chemical test will be used against him at trial; removing requirements for mandatory detoxification in certain instances; providing penalties; amending Minnesota Statutes

1982, sections 169.121, subdivisions 2, 3, 4, and 8; and 169.123, subdivisions 2, 3, and 4; repealing Minnesota Statutes 1982, section 169.1231.

The Senate respectfully requests that a Conference Committee be appointed thereon. The Senate has appointed as such committee Messrs. Freeman, Luther, Ms. Reichgott, Messrs. Knaak and Ramstad.

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

Vellenga 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. 473. The motion prevailed.

Mr. Speaker :

I hereby announce that the Senate refuses to concur in the House amendment to :

S. F. No. 1189, A bill for an act relating to employment; exempting search firms from employment agency licensing; subjecting certain search firms to fee and bond requirements; requiring certain statements, fees, and bonds to be submitted at the time a search firm is established; amending Minnesota Statutes 1982, sections 184.22, subdivision 2, and by adding subdivisions; 184.29; 184.30, subdivision 1; and 184.41.

The Senate respectfully requests that a Conference Committee be appointed thereon. The Senate has appointed as such committee Messrs. Freeman, Wegscheid and Anderson.

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

Ogren 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. 1189. The motion prevailed.

Mr. Speaker :

I hereby announce that the Senate refuses to concur in the House amendment to :

S. F. No. 923, A bill for an act relating to libraries; prohibiting the theft or damage of library materials; restricting tort liability for public libraries; prescribing a penalty; amending Minnesota Statutes 1982, section 466.01, subdivision 1; proposing new law coded in Minnesota Statutes, chapter 609.

The Senate respectfully requests that a Conference Committee be appointed thereon. The Senate has appointed as such committee Messrs. Wegscheid, Freeman 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

Eken 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. 923. The motion prevailed.

Mr. Speaker:

I hereby announce that the Senate refuses to concur in the House amendment to:

S. F. No. 989, A bill for an act relating to collection and dissemination of data; classifying government data as public, private, and nonpublic; clarifying issues relating to classifications of data, access to data, the effect of death of individuals on classifications, and the temporary classification of data; refining provisions of the data practice act; amending Minnesota Statutes 1982, sections 13.02, subdivision 8, and by adding a subdivision; 13.03, subdivisions 3 and 4, and by adding subdivisions; 13.04, subdivision 2; 13.05, subdivisions 3, 7, 9, and 10, and by adding a subdivision; 13.06, subdivisions 1 and 6; 13.31, subdivision 2; 13.41, by adding a subdivision; 13.43, subdivision 2; 13.44; 13.46, subdivision 2, and by adding subdivisions; 13.67; 144.335, subdivision 2; and 253B.03, subdivision 8; proposing new law coded in Minnesota Statutes, chapter 13.

The Senate respectfully requests that a Conference Committee be appointed thereon. The Senate has appointed as such committee Messrs. Peterson, R. W.; Merriam and Sieloff.

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

Ellingson 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. 989. The motion prevailed.

Mr. Speaker:

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

S. F. No. 415.

PATRICK E. FLAHAVEN, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 415, A bill for an act relating to state government; providing for salaries for constitutional officers, agency heads, metropolitan agency heads, and certain judicial positions; providing an expense allowance; establishing a compensation council; limiting local government salaries; prohibiting cash payments for accumulated vacation pay; expanding the authority of the commissioner of employee relations to set salaries; requiring the governor to recommend certain salaries; removing salary setting authority of certain state agencies; removing additional compensation for the career executive service; requiring the percentage of women in the career executive service to be increased; ratifying state and University of Minnesota labor agreements, compensation plans, and plans for early retirement incentives; amending Minnesota Statutes 1982, sections 3.855, subdivision 3; 3.922, subdivision 5; 15A.081, subdivisions 1, 6, and 7, and by adding a subdivision; 15A.083, subdivisions 1, 2, and 4; 43A.17, by adding subdivisions; 43A.18, subdivisions 3, 4, and 5; 43A.21, by adding a subdivision; 105.71, subdivision 2; 136.034; 136A.03; 179.741, subdivision 1; 244.09, subdivision 10; 256.482, subdivision 2; 298.22, subdivision 1; 326.241, subdivision 2; 352.03, subdivision 4; 354.06, subdivision 2; 484.68, subdivision 6; and Laws 1980, chapter 564, article XII, section 1, subdivision 3; proposing new law coded in Minnesota Statutes, chapter 15A; repealing Minnesota Statutes 1982, sections 16A.16; 136.063; and 136A.035.

The bill was read for the first time.

Simoneau moved that S. F. No. 415 and H. F. No. 422, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

MOTIONS AND RESOLUTIONS

Olsen moved that her name be stricken as an author on H. F. No. 699. The motion prevailed.

Reif moved that the name of Brandl be added as an author on H. F. No. 805. The motion prevailed.

Ellingson moved that the name of Blatz be added as an author on H. F. No. 898. The motion prevailed.

Johnson moved that the names of Mann, Clawson, Jensen and Kalis be added as authors on H. F. No. 1055. The motion prevailed.

Ogren moved that the name of Bergstrom be added as an author on H. F. No. 336. The motion prevailed.

Rice moved that H. F. No. 524 be recalled from the Committee on Rules and Legislative Administration, be given a second reading and be placed on General Orders. The motion prevailed.

H. F. No. 524 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 S. F. No. 1189:

Ogren, Skoglund and Heinitz.

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 473:

Vellenga; Vanasek; Clark, J.; Dempsey and McKasy.

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 989:

Ellingson, Minne and Dempsey.

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 923:

Anderson, B.; Quinn and Halberg.

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 72:

Clark, J.; Begich and McKasy.

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 652:

Ogren, Wenzel, Kalis, Sparby and Uphus.

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 695:

Clawson, Swanson and Onnen.

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 297:

Coleman, Osthoff and Levi.

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 300:

Otis, Norton, Sarna, Wenzel and Rice.

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 634:

Sarna, Munger, Battaglia, Osthoff and Bennett.

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 77:

Kostohryz, Metzen, Osthoff, Jensen and Redalen.

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 1290:

Kahn; Battaglia; Rice; Carlson, D., and Bishop.

ADJOURNMENT

Eken moved that when the House adjourns today it adjourn until 12:00 noon, Tuesday, May 17, 1983. The motion prevailed.

Eken moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 12:00 noon, Tuesday, May 17, 1983.

EDWARD A. BURDICK, Chief Clerk, House of Representatives